TAX CONNECT
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Knowledge Partner:

The Bengal Chamber of Commerce & Industry

INCOME TAX

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EDITORIAL

Friends,

The tax department claims that customers maintaining a minimum balance in their accounts get some free services such as issuing cheque books and additional credit cards, ATM usage and refund of fuel surcharge that have a “deemed value” and are taxable.

Therefore, in the past two months, the tax department has issued preliminary notices to banks asking them to levy GST on such free services.

The rate may be 18% GST, but the charge is expected to differ from one bank to another depending on how the free services are valued.

GST will be calculated taking into account the charges paid for such services by customers who do not maintain a minimum account balance.

Further,

The due date of the following GSTR forms have been extended as follows:

For Srikakulam district, Andhra Pradesh

- Due date for filing FORM GSTR – 3B, GSTR 1 & GSTR 4 for September 2018, October 2018 and quarter ending September 2018 has been extended till 30 November 2018

For Cuddalore, Thiruvarur, Puddukottai, Dindigul, Nagapatinam, Theni, Thanjavur, Sivagangai, Tiruchirappalli, Karur and Ramanathapuram in Tamil Nadu -Due date for filing FORM GSTR – 3B for October 2018 and for FORM GSTR – 1 (for taxpayers having aggregate turnover above Rs 1.5 crores) for October 2018 has been extended till 20 December 2018

Also, the **last date for filing of form GSTR – 7 for the months of October, 2018 to December, 2018 has been extended to 31 January, 2019.**

In Income Tax,

Bombay High Court in the recent case of **The Pr. Commissioner Of Income Tax-6 Versus M/S. Credit Analysis And Research Ltd.** has held that the principle that when a liability has accrued but the computation thereof with precession, is not possible presently, the provision could be made on the basis of actuary by applying some scientific method or procedure, is well established principle. On the principle of accrued liability, the Assessee was well within its right to claim the expenditure.

Ref: Supreme Court in case of M/s. Rotork Controla India Pvt. Ltd.,v/s. Commissioner of Income Tax.

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	FORM No	DESCRIPTION
7-Dec-18	Income Tax Form: ITNS – 281	Due date for deposit of Tax deducted/collected for the month of November, 2018.

GST: CGST/IGST/SGST/UTGST

NOTIFICATIONS/CIRCULARS

EXTENSION OF LAST DATE FOR FILING OF SPECIFIED GSTR FORMS FOR TAXPAYERS IN SRIKAKULAM DISTRICT OF ANDHRA PRADESH AND 11 DISTRICTS OF TAMIL NADU

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India **vide Notification No. 62/2018 – Central Tax, Notification No. 63/2018-Central Tax, Notification No. 64/2018-Central Tax, Notification No. 65/2018-Central Tax, all dated 29.11.2018** has extended the due date for filing specified GSTR forms for specified districts as follows:

For Srikakulam district, Andhra Pradesh

- Due date for filing FORM GSTR – 3B for September 2018 and October 2018 extended till 30 November 2018

- Due date for filing FORM GSTR – 1 (for taxpayers having aggregate turnover above Rs 1.5 crores) for September 2018 and October 2018 extended till 30 November 2018

- Due date for filing FORM GSTR – 1 (for taxpayers having aggregate turnover upto Rs 1.5 crores) for the quarter from July, 2018 to September, 2018 extended till 30 November 2018

- Due date for filing FORM GSTR – 4 for the quarter from July, 2018 to September, 2018 extended till 30 November 2018

For Cuddalore, Thiruvarur, Puddukottai, Dindigul, Nagapatinam, Theni, Thanjavur, Sivagangai, Tiruchirappalli, Karur and Ramanathapuram in Tamil Nadu

- Due date for filing FORM GSTR – 3B for October 2018 extended till 20 December 2018

- Due date for filing FORM GSTR – 1 (for taxpayers having aggregate turnover above Rs 1.5 crores) for October 2018 extended till 20 December 2018

EXTENSION OF LAST DATE FOR FILING OF FORM GSTR – 7 FOR THE MONTHS OF OCTOBER, 2018 TO DECEMBER, 2018 TO 31ST DAY OF JANUARY, 2019

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India **vide Notification No. 66/2018 – Central Tax dated 29.11.2018** has extended the due date for filing of FORM GSTR – 7 for the months of October, 2018 to December, 2018 till the 31st day of January, 2019.

INCOME TAX

NOTIFICATIONS/CIRCULARS

M/S CENTRE FOR BRAIN RESEARCH, BANGALORE & M/S. THALASSEMIA AND SICKLE CELL SOCIETY NOTIFIED U/S 35(1)(II)

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 83/2018 and 84/2018 dated 26.11.2018** has notified M/s Centre for Brain Research, Bangalore (PAN:AABTC7082K) & M/s. Thalassemia and Sickle Cell Society (PAN:-AAATT4038K) u/s 35(1)(ii) from Assessment year 2018-2019 onwards in the category of 'Scientific Research Association' subject to specified conditions:

The approval shall be withdrawn if the organization:-

a) fails to maintain specified separate books of accounts or
b) fails to furnish its audit report as specified or
c) fails to furnish its statement of the donations received and sums applied for scientific /social science/statistical research referred to in the notification or
d) ceases to carry on its research activities or its research activities are not found to be genuine; or
e) ceases to confirm to and comply with the provisions of clause (ii) of section 35(1) read with rules 5C and 5D

CASE LAW

THE PR. COMMISSIONER OF INCOME TAX-6 VERSUS M/S. CREDIT ANALYSIS AND RESEARCH LTD. [BOMBAY HIGH COURT]

BRIEF: The principle that when a liability has accrued but the computation thereof with precession, is not possible presently, the provision could be made on the basis of actuary by applying some scientific method or procedure, is well established principle.

OUR COMMENTS: In the given case, assessee made a provision related to the performance related pay to the Director and other employees of the Company. The Assessing Officer objected to such expenditure on the ground that, the liability had not crystallized.

The Hon'ble Bombay High Court observed that:
- the documents which were placed before the AO were not disputed by the AO, hence it is clear that the Director was entitled to performance related pay and as the actual amount had not been approved by the Board, the assessee had made provision for a crystallized liability and debited it in the P & L Account.
- As soon as the approval was received from the Board, the actual payments were made after deducting tax at source.
Therefore, there is no reason for disallowing the expenses claimed and that they are bonafide expenses

Reference in this respect may be to the decision of the **Supreme Court in case of M/s. Rotork Controla India Pvt. Ltd.,v/s. Commissioner of Income Tax.**

On the principle of accrued liability, the Assessee was well within its right to claim the expenditure.

[Decided against revenue]

CUSTOMS

NOTIFICATIONS/CIRCULARS

AMENDMENT TO NOTIFICATION NO. 57/2000-CUSTOMS DATED 08.05.2000

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 78/2018 - Customs dated 29.11.2018** has made amendment to notification no. 57/2000-Customs dated 08.05.2000. This notification exempts gold, silver and platinum imported under specified schemes.

In the said notification, after the second proviso, the following proviso has been inserted:

" Provided further that no replenishment of the gold or silver shall be available to the exporter where the exporter avails, in respect of exported product -
(i) Cenvat credit on inputs under the Central Excise Act, 1944; or
(ii) input tax credit on inputs or services or both under Chapter V of the Central Goods and Services Tax Act, 2017; or
(iii) refund of input tax credit or refund of integrated tax under section 54 of the Central Goods and Services Tax Act, 2017."

APPOINTMENT OF COMMON ADJUDICATING AUTHORITY BY DGRI

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide

Notification No. 24/2018-Customs (N.T./CAA/DRI) dated 16.11.2018

Notification No. 25/2018-Customs (N.T./CAA/DRI) dated 16.11.2018

Notification No. 26/2018-Customs (N.T./CAA/DRI) dated 26.11.2018

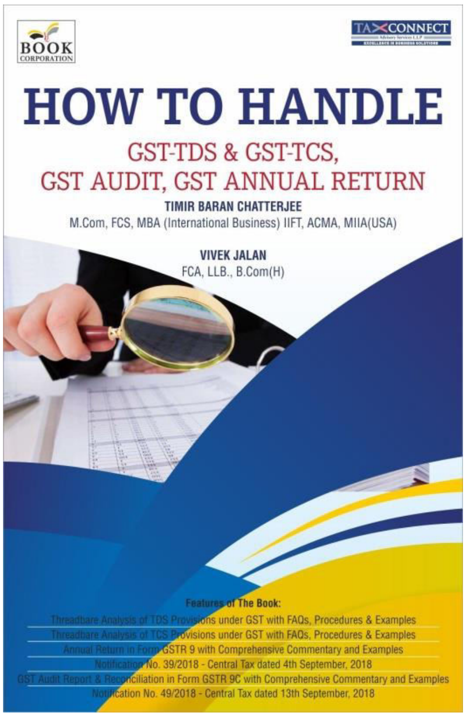
Notification No. 27/2018-Customs (N.T./CAA/DRI) dated 26.11.2018

has appointed specified officers to act as a common adjudicating authority to exercise the powers and discharge the duties conferred or imposed on specified officers in respect of specified noticee for the purpose of adjudication of specified show cause notice.

Please refer the aforesaid notifications for details.

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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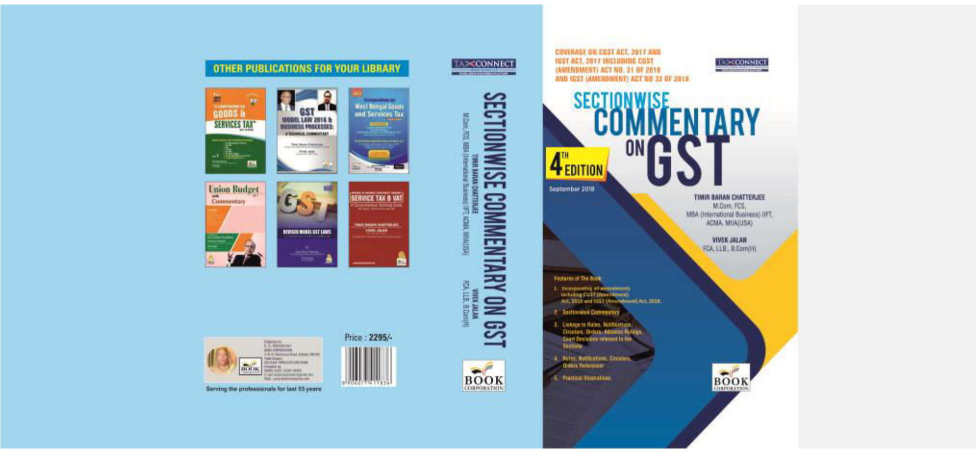
IN STANDS

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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