

# TAX CONNECT

**Knowledge Partner:**

**The Bengal Chamber of Commerce & Industry**

INCOME TAX

**GST**  
Goods & Services Tax

CUSTOMS

## TAX CONNECT

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## EDITORIAL



Friends,

The Government has published “Goods And Service Tax Concept & Status - As On 1st February, 2019” on 07.02.2019 and discussed evolution of GST in India in detail. One can have a complete insight into how GST is playing a role of game changer for India economy. The evolution has been classified as follows:

- Constitutional Scheme of Indirect Taxation in India Before GST
- Historical Evolution of Indirect Taxation in Post independence India till GST
- International Perspectives on GST / VAT
- Need For GST in India
- GST A Historical Perspective
- Challenges in designing GST
- Constitutional Amendment
- Goods & Service Tax Council
- The Design of Indian GST
- GST Legislations
- Role of CBIC
- Goods & Services Tax Network
- GST A Game Changer For Indian Economy
- Challenges & Future Ahead

In the publication, CBIC has also provided the Registrations and Revenue snapshot as follows:

1. No. of transited (migrated) taxpayers -	66,25,077
2. No. of approved new applications -	61,89,300
<b>Total No. of taxpayers</b>	<b>1,28,14,377</b>

**Total revenue collected (July'17 to Jan'19)**

**17,14,195 (in thousand crores)**

**Further “New Return Filing System of GSTN” has been released on 08.02.2019.**

As per the above release, GSTN will focus on the development of new return filing improving the user interface, and Business Intelligence and Analytics.

Improvements made for better User Experience are:

- Questionnaire for filing GSTR-3B to avoid errors by taxpayers.
- Option to generate pre-populated Challan by the system to avoid depositing Cash in wrong Head by the taxpayers.
- Introduction of one click Nil return filing.
- Suggested utilisation of ITC informed to the taxpayer for discharging tax liability.
- Contextual help for GST transactions like Registration, Returns, Payment, etc.

Work is going on different scenarios of BI such as Persona based Analysis, Predictive Analysis, Fraud/Anomaly Detection, Statistical Scoring, 360-degree view of taxpayers, Circular Trading & Network Analysis, etc.

## EDITORIAL

Further, the following data has been shared with tax authorities. It is expected that notices may start coming from the Department as analytical information has been given to them by the GSTN.

- Mis-match between figures reported in GSTR-1 & GSTR-3B.
- Mis-match between figures reported GSTR-3B and that computed by the system in GSTR-2A.
- Taxpayers who have generated e-way bill but not filed tax returns

Also,

- comparison of GSTR-1 & GSTR-3B for liability analysis,
- GSTR-2A & GSTR-3B for comparison of ITC being claimed by taxpayers, and
- analysis regarding taxpayers who have generated e-way bill but not filed tax returns is being done and the reports generated are shared with tax authorities for taking appropriate action.

Please refer to the bulletin further for details.

**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	Form	Description
10 <sup>th</sup> February 2019	GSTR 7	Details of TDS deducted at source and deposit of TDS deducted for the month of January, 2019.
10 <sup>th</sup> February 2019	GSTR 8	Due date for filing GSTR-8 (to be filed by the by the e-commerce operators required to deduct TDS under GST for the month of January, 2019.
11 <sup>th</sup> February 2019	GSTR 1	Details of outward supplies of goods or services for persons having aggregate turnover more than 1.5 crore rupees in the preceding financial year or the current financial year for the month of January, 2019.
14 <sup>th</sup> February 2019	Form 16B	Due date for issue of TDS Certificate for tax deducted under Section 194-IA in the month of December 2018
14 <sup>th</sup> February 2019	Form 16B	Due date for issue of TDS Certificate for tax deducted under Section 194-IB in the month of December 2018
15 <sup>th</sup> February 2019	Form 24G	Due date for furnishing of Form 24G by an office of the Government where TDS for the month of January, 2019 has been paid without the production of a challan.
15 <sup>th</sup> February 2019	Form 16A	Quarterly TDS certificates (in respect of tax deducted for payments other than salary) for the quarter ending December 31, 2018

# GST: CGST/IGST/SGST/UTGST

## NOTIFICATIONS/CIRCULARS

### ROLE OF CBIC IN GST REGIME

**OUR COMMENTS:** The Dept. of Revenue, Ministry of Finance, Government of India has published “**Goods And Service Tax Concept & Status - As On 1st February, 2019**” dated **07.02.2019** and discussed evolution of GST in India in detail.

Let us look at the **Role that our CBIC is playing in the GST regime** as discussed in the above mentioned publication:

- CBIC is playing an active role in the drafting of GST law and procedures.
- The existing IT infrastructure of CBIC has been suitably scaled up to handle large volumes of data due to significant increase in the number of taxpayers.
- The name of IT project of CBIC under GST is ‘SAKSHAM’ involving a total project value of ₹ 2,256 Cr. This is design to suit the legal provisions and procedure for GST, the content of workflow software such as ACES which would require reengineering.
- Capacity building, particularly in the field of Accountancy and Information Technology for the departmental officers has been taken up in a big way.
- A massive training programmed has been conducted under the leadership of NACIN. This project is aimed at imparting training on GST law and procedures to more than 60,000 officers of CBIC and Commercial Tax officers of State Governments.

- CBIC would be responsible for administration of the CGST and IGST law.
- Excise duty regime would continue to be administered by the CBIC for five specified petroleum products as well as on tobacco products.
- CBIC would also continue to handle the work relating to levy and collection of customs duties.
- CBIC has been mandated to conduct detailed enquiry on antiprofitteering cases and should give his recommendation for consideration of the National Antiprofitteering Authority.
- CBIC has been instrumental in handholding the implementation of GST. It had set up the Feedback and Action Room which monitored the GST implementation challenges faced by the taxpayer and act as an active interface between the taxpayer and the Government.
- In the publication, CBIC has also provided the Registrations and Revenue snapshot as follows:

1. . No. of transited (migrated) taxpayers -	66,25,077
2.. No. of approved new applications -	<u>61,89,300</u>
<b>Total No. of taxpayers</b>	<b><u>1,28,14,377</u></b>

**Total revenue collected (July’17 to Jan’19)**  
**17,14,195 (in thousand crores)**

# INCOME TAX

## Case Law

### CLARIFICATION REGARDING APPLICABILITY OF SECTION 56(2)(VIIA) OF THE INCOME-TAX ACT, 1961 FOR ISSUE OF SHARES BY A COMPANY IN WHICH PUBLIC ARE NOT SUBSTANTIALLY INTERESTED

**OUR COMMENTS:** The Dept. of Revenue, Ministry of Finance, Government of India vide **Circular No. 03/2019 dated 23.01.2019** provides that the view in Circular No. 10/2018 [withdrawn by Circular No. 02/2019] would not apply to fresh issuance of shares, would not be a correct approach, as it could be subject to abuse and would be contrary to the express provisions and the legislative intent of section 56(2)(viiia) or similar provisions contained in section 56(2) of the Act.

Hence, any view taken by the Board in Circular No. 10/2018 shall be considered to have never been expressed and the said circular shall not be taken into account by any Income-tax authority in any proceedings under the Act.

### MONETARY LIMITS FOR FILING/ WITHDRAWAL OF WEALTH TAX APPEALS

**OUR COMMENTS:** The Dept. of Revenue, Ministry of Finance, Government of India vide **Circular No. 5/2019 dated 05.02.2019** has decided that monetary limits for filing of appeals in Income tax cases as prescribed in **Para 3 of the Circular No. 3 of 2018 dated 11.07.2018** shall also apply to Wealth Tax appeals through extension of the Circular to Wealth tax matters in a mutatis mutandis manner and with specified modifications. Please refer the circular for details.

### JUBILEE MISSION HOSPITAL TRUST APPROVED U/S 35(1)(II)

**OUR COMMENTS:** The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 1/2019 dated 24.01.2019** has approved Jubilee Mission Hospital Trust u/s 35(1)(ii) subject to specified conditions. Please refer the notification for details.

### RESCINDMENT OF NOTIFICATION APPROVING BIOVED RESEARCH SOCIETY, ALLAHABAD (U.P.) FOR SECTION 35(1)(II)

**OUR COMMENTS:** The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 3/2019 dated 25.01.2019** has rescinded Notification No. 15/2008 dated 01.02.2008 which approved BIOVED Research Society, Allahabad (U.P.) for Section 35(1)(ii).

### JOINT ELECTRICITY REGULATORY COMMISSION (FOR THE STATE OF GOA AND UNION TERRITORIES EXCEPT DELHI) NOTIFIED FOR SECTION 10(46)

**OUR COMMENTS:** The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 6/2019 dated 30.01.2019** has notified Joint Electricity Regulatory Commission (for the State of Goa and Union Territories except Delhi) for section 10(46) subject to specified conditions. Please refer the notification for details.

# CUSTOMS

## NOTIFICATIONS/CIRCULARS

### BCD RATE ON PARTS OF POWER BANK OF LITHIUM ION AND BATTERY PACK OF CELLULAR MOBILE PHONES

**OUR COMMENTS:** The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 02/2019 – Customs dated 29.01.2019** hereby amends **Notification No. 57/2017-Customs, dated 30.06.2017** to prescribe BCD rate on parts of power bank of Lithium ion and Battery pack of cellular mobile phones. Please refer the notification for details.

### BCD RATE ON ELECTRIC VEHICLE (EV) AND THEIR SPECIFIED PART AND RAW MATERIAL FOR MANUFACTURE OF LITHIUM ION CELLS

**OUR COMMENTS:** The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 03/2019 – Customs dated 29.01.2019** hereby amends **Notification No. 50/2017-Customs, dated 30.06.2017** to prescribe BCD rate on Electric Vehicle (EV) and their specified part and raw material for manufacture of Lithium ion cells. Please refer the notification for details.

### 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. 09/2019-Customs (N.T.) dated 07.02.2019** & in supersession of **Notification No. 05/2019-Customs (N.T.) dated 17.01.2019** has revised the exchange rate of foreign currencies w.e.f. **08.02.2019** as follows:

**SCHEDULE-I**

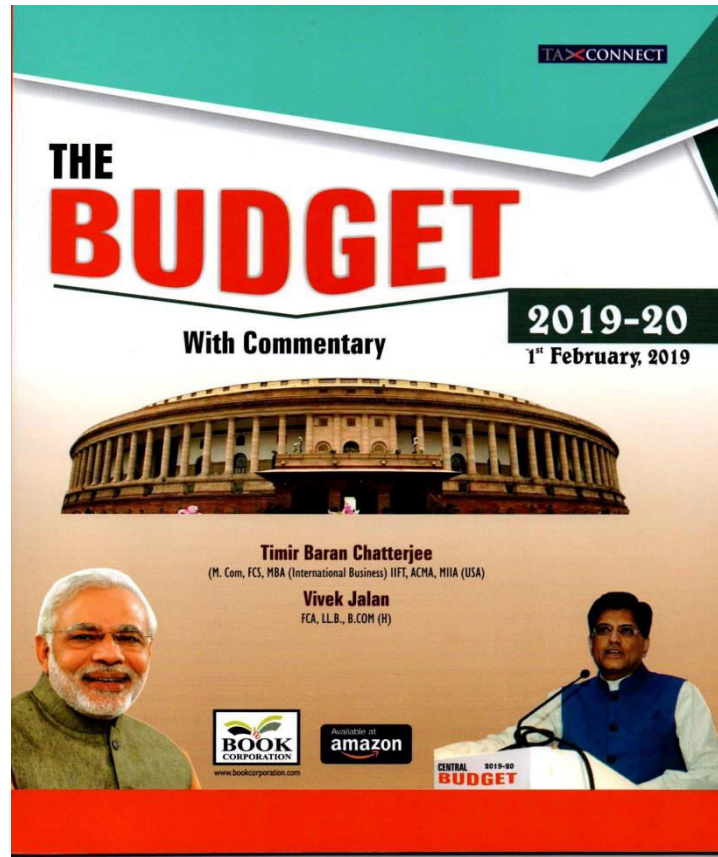
Sl. No	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	52.15	50.00

2.	Bahrain Dinar	196.65	184.45
3.	Canadian Dollar	55.25	53.25
4.	Chinese Yuan	10.80	10.45
5.	Danish Kroner	11.15	10.75
6.	EURO	83.00	80.00
7.	Hong Kong Dollar	9.30	9.00
8.	Kuwait Dinar	244.55	229.05
9.	New Zealand Dollar	49.75	47.55
10.	Norwegian Kroner	8.55	8.25
11.	Pound Sterling	94.45	91.15
12.	Qatari Riyal	20.35	19.10
13.	South Arabian Riyal	19.75	18.55
14.	Singapore Dollar	53.90	52.05
15.	South African Rand	5.50	5.15
16.	Swedish Kroner	7.95	7.65
17.	Swiss Franc	73.00	70.25
18.	Turkish Lira	14.15	13.30
19.	UAE Dirham	20.20	18.95
20.	US Dollar	72.65	70.95

**SCHEDULE-II**

Sl. No	Foreign Currency	Rate of exchange of 100 units of foreign currency equiv. to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	66.60	64.10
2.	Korean Won	6.60	6.20



**IN STANDS****THE BUDGET 2019-20 WITH COMMENTARY****Authors:****Timir Baran Chatterjee****M.Com, FCS, MBA (International Business)-IIFT, ACMA****Vivek Jalan****FCA, LL.B., B.Com (Hons.)****Published by:****BOOK CORPORATION**4, R. N. Mukherjee Road  
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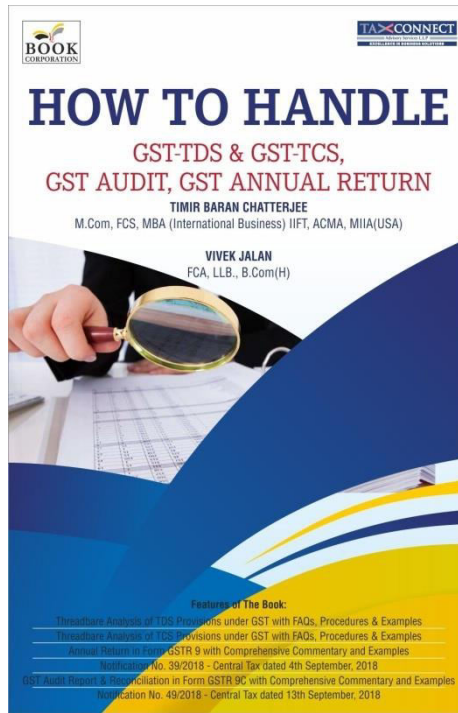
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**IN STANDS**

**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 4<sup>th</sup> September, 2018**
- 5. GST Audit Report & reconciliation in Form GSTR 9C with Comprehensive Commentary and Examples**
- 6. Notification No. 49/2018 – Central Tax dated 13<sup>th</sup> September, 2018**

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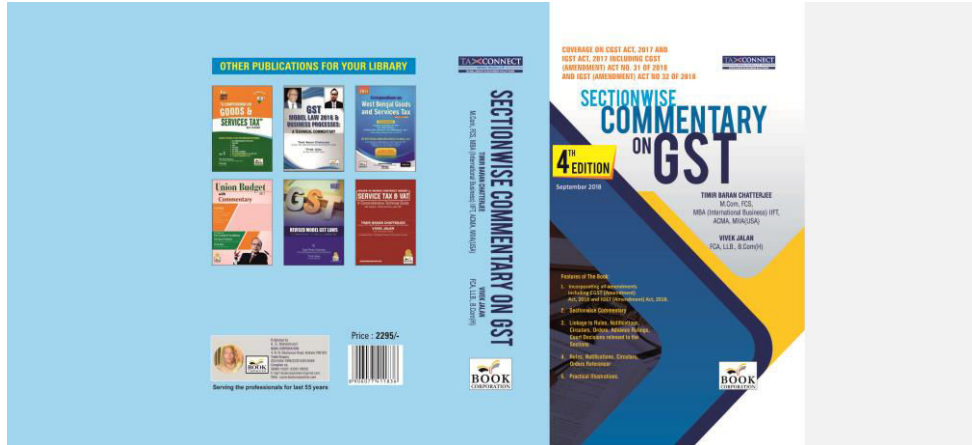
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**IN STANDS**

**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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