

Tax Bulletin

Update publication for our clients

October, 2018



Vijaywargi Khabiya & Saoji

Chartered Accountants

FOREWORD

September 2018 was a month which brought in multiple GST amendments and also notified the formats for Annual Return, GST Audit along with intimation of implementation of GST TDS and TCS provisions. Throughout this month, we at **Vijaywargi Khabiya & Saoji ('VK&S')** were occupied in finalizing the books of our clients and performing the audit function.

Keeping in mind the multiple changes and complex nature of GST compliances, there is a need for trade, industry and GST practitioners to ensure that the GST returns for the month of September are finalized with utmost caution as this will become the basis for the GST Annual Return. In this regard, the only resort is keeping ourselves abreast of the latest developments and its timely implementation.

Accordingly, we have compiled the **5th Edition of the Tax bulletin** in relation to Direct Tax (i.e. Income Tax) and Indirect Tax (i.e. GST, Customs law and FTP).

Warm Regards,

Team VK&S

CONTENTS – UPDATE ON



- 1 Income Tax
- 2 Goods & Services Tax ['GST']
- 3 Customs
- 4 Foreign Trade Policy ['FTP']

1

Income Tax updates

- E-Proceedings under Income Tax
- Extension of Due Date-Tax Audit & ITR
- Legal Snippets

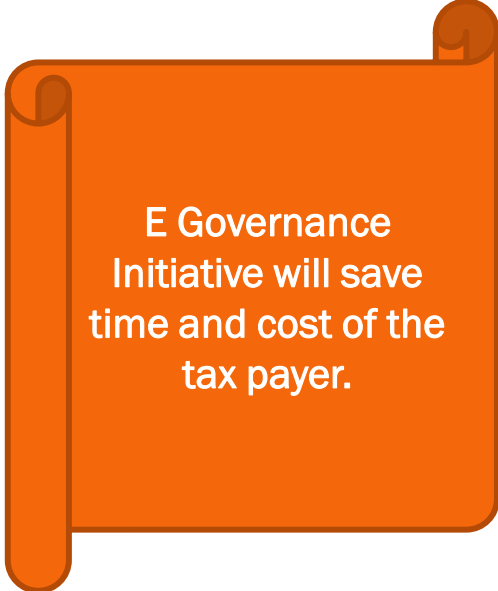
E Proceedings under Income Tax



❖ To bring transparency and efficiency in Income Tax Assessment procedure, Department has introduced E-proceeding facility. This facility was optional and **now made compulsory** for all cases except in search cases.

❖ Salient Features

- Letters, Notices, Questionnaires and other communications will be sent on registered email id.
- All the notices, order will be digitally signed by AO. Order sheet will be maintained online.
- Taxpayer needs to upload documents and information online on the platform. It will be paperless assessment and complete information will be available on portal.
- This will reduce interaction between taxman and taxpayers

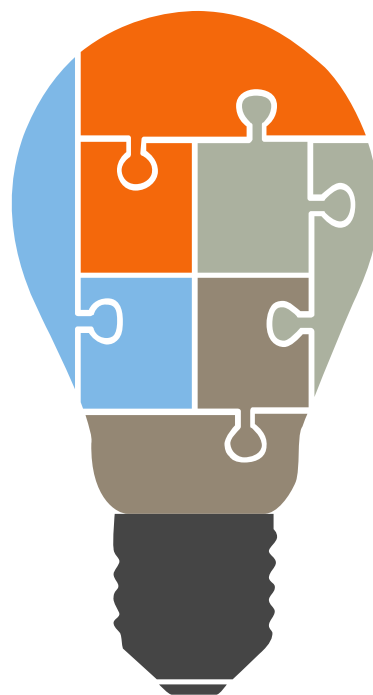


E Governance Initiative will save time and cost of the tax payer.

Legal Snippets

Once the Tax along with interest paid on undisclosed income, taxpayer will get immunity from penalty.

[Pr Comissioner of Income Tax-3 Vs Savy Construction) 2018 TIOL - 1811-HC-AHM-IT]



Additional Depreciation U/s 32(1)(iia) @ 20% is allowable on vehicles used for transportation of Ready Mix Concrete to a Construction Company. The said activity is manufacturing and there is no requirement that assessee's primary activity should be manufacturing.

[Cheriyar Varkey Construction Co (P) Ltd vs Union of India (2018) TIOL-1813-HC-KERALA-IT]



2

GST updates

- Notifications and Circulars
- GST Advance Rulings
- Legal Snippets

Due dates for filing GST Returns – All tax payers

GSTR - 1

Aggregate turnover of **more**
than 1.5 Cr

Months	Due Date
July, 2017 to September, 2018	October 31, 2018
October, 2018 to March, 2019	11th day of the succeeding month for which the return is being filed.

Due date for GSTR-2 for July, 2017 to March, 2019 shall be subsequently notified

GSTR - 1

Aggregate turnover of **less**
than 1.5 Cr

Quarter	Due Date
July - September, 2017	October 31, 2018
October - December, 2017	October 31, 2018
January - March, 2018	October 31, 2018
April - June, 2018	October 31, 2018
July - September, 2018	October 31, 2018
October - December, 2018	January 31, 2019
January - March, 2019	April 30, 2019

For registered persons in the State of Kerala, registered persons whose principal place of business is in Kodagu (Karnataka) or Mahe (Puducherry) the due date will be **November 15, 2018**



Due dates for filing GST Returns – Special Category



For tax payers who had only received a Provisional Identification Number by December 31, 2017, and subsequently applied for GSTIN on or before the August 31, 2018

Return	Period	Due Date
GSTR-1 for persons with aggregate turnover > 1.5 Cr	July, 2017- November, 2018	December 31, 2018
GSTR-1 for persons with aggregate turnover < 1.5Cr	Quarters from July, 2017- September, 2018	
GST- 3B	July, 2017- November, 2018	



Form of Annual GST Return Notified – GSTR 9/9A

Important information

Who should file?

All registered taxable persons

Who should not file?

Casual taxable person, ISD, Non-resident taxable persons, Person paying GST TDS and TCS

When?

December 31, 2018 (For FY 2017-2018)

Format of Return

GSTR-9 – **Regular Taxpayer**
GSTR-9A – Person registered under **composition scheme**

Details to be provided in GSTR-9

- Details of outward supplies and inward supplies on which tax is payable under RCM declared in return filed during the F.Y.
- Details of ITC declared in return filed during the F.Y.
- Details of tax paid as declared in return filed in during the F.Y.
- **Particulars of transaction for previous F.Y. declared in return of April to September 2018**
- GST Demands and refunds, HSN wise summary, Late fees payable and paid details.

- The details for the period between July 2017 to March 2018 are to be provided
- It appears that ITC not validated through GSTR-2A will lapse
- Place for mentioning details of B2C and B2B supplies should include such supplies made through ECO

It is important that any ITC is availed / changes for FY 2017-2018 are made in the GST return of September 2018

Form of GST Audit Notified – GSTR 9C

Important information

Who needs to get GST Audit done?

Registered person with **Aggregate turnover in FY > INR 2 Crore**

Who can conduct GST Audit?

Chartered accountant or a Cost accountant (Internal Auditor cannot undertake GST Audit – ICAI)

When?

GST Audit must be completed **before 31st December** every year

Submission procedure

Along with Annual Return in Form 9A

Contents of Audit Report

- Reconciliation statement for reconciling turnover, ITC and tax payments reported in GST returns (annual return) vis-a-vis annual books of accounts.
- There is a separate table for auditor's recommendation on additional liability to be discharged on account of non-reconciliation of turnover and ITC, erroneous refunds, outstanding demands etc. **(To be paid in cash)**

- The details for the period between July 2017 to March 2018 are to be provided. **Companies should engage GST Auditors at the earliest to ensure that relevant details are recorded in the returns for September.**
- GST Audit to be done for each GSTIN separately. Therefore, **turnover for each State will have to be identified by Companies**



GST - Tax Deduction at Source ('TDS') – effective from October 1, 2018

Important information

What

Deduction of GST by specified person

When

Total value of supply, under a contract exceeds Rs.2,50,000/-.

Rate

2% [1% CGST & 1 % SGST or IGST @ 2%]

Who to deduct?

- Department / establishment of Central or State Government
- Local Authority;
- Governmental Agencies;
- Authority / board / any other body, - (i) set up by an Act of Parliament or a State Legislature; or (ii) established by any Government, with 51% or more participation by way of equity or control, to carry out any function;
- Society established by the Central or State Government or a Local Authority under the Societies Registration Act, 1860;
- **Public sector undertakings**

Standard Operating Procedure for TDS released

- Deductee will be eligible to **adjust the TDS** amount against output liability
- **Certificate** of deduction (Form GSTR-7A) is to be issued by deductor within 15th of next month.
- Deduction to be made on value of supply excluding GST

Circular has been issued to clarify that Drawing and Disbursing officers ('DDO') may follow one of the 2 options for payment of TDS:

- I. Individual Bill-wise Deduction and its Deposit
- II. Bunching of deductions and its deposit by the DDO

GST – Tax Collection at Source ('TCS') - effective from October 1, 2018

What

Collection of GST at source by electronic commerce operator ('ECO'),

When

supplier supplies some goods or services through ECO for which payment is collected by ECO.

Rate

1% (0.5% CGST & 0.5% SGST or IGST @ 1%)

Applicability

- ECO should not be an agent of the supplier
- ECO is required to collect tax in relation to **taxable supplies made by a registered person**
- TCS provisions are **not applicable** in case where responsibility to pay entire tax is on the ECO such as transportation of passengers by a radio-taxi, motorcab, maxicab and motor cycle, accommodation services (other than registered persons), services by way of house-keeping, such as plumbing, carpentering etc. (other than registered persons)
- Collection is to be made on 'net value of taxable supplies' which excludes value of returned goods

FAQ for GST
TCS
provisions
released

Important information

Supplier will be eligible to **adjust the TCS** amount against output liability as collected and reflected by ECO

Job-work related changes (ITC -04)

The principal manufacturer is required to file **FORM GST ITC-04** with details of challans of goods despatched to and received from a job worker or sent from one job worker to another job worker.

Extension of due date

Time limit for furnishing ITC (Quarterly intimation) for July 2017 to June 2018 extended till **30th Sept 2018**.

Amendment in Form

- Multiple entry of items for single challan may be filled.
- The details of challan Number and challan date which is issued by job worker under which goods have been received back are to be mandatory furnished where fresh challan are required to be issued by the job worker, otherwise it is optional.
- The details of original challan number and challan date under which goods have been sent for job work may not be filled where one-to-one correspondence between goods sent for job work and goods received back after job work is not possible.
- The details of losses and wastes in quantity and UQC is to be filled whenever there is scenario of losses.
- Nature of job work done by job worker is required to be mentioned.

Amendment to CGST Rules

IMPORTANT

Minimum details for claiming ITC

ITC shall be availed by a registered person if the document contains the following minimum details:

- Amount of tax charged,
- description of goods or services,
- total value of supply
- GSTIN of the supplier and recipient and
- place of supply in case of inter-State supply.



Extension of Submission of TRAN1 and TRAN 2 – ONLY for persons who could not file due to technical glitches

- Commissioner empowered to extend due date of TRAN 1 maximum till March, 31 2019 for taxpayers who could not file the declaration due to technical difficulties on GST portal and in respect of whom the council has made a recommendation for such extension.
- For such persons, GSTR TRAN 2 to be submitted by April 30, 2019.



Cancellation of registration for non-submission of return

When proceedings have been initiated for Cancellation of registration due to non-furnishing of GST returns then if all returns are furnished and full payment of tax dues is made along with applicable interest and late fee, **the proper officer shall drop the proceeding and will pass an order in FORM GST-REG 20.**



Refund related changes and clarifications

Calculation of Adjusted total turnover

The formula for calculating amount of Refund of ITC in case of zero- rated supply requires calculation of 'Adjusted Total Turnover' – **Method of calculation of Adjusted Total turnover has been amended**

Under the new method, value of supply of services and goods is to be identified separately

Restriction on refund of IGST paid on exports

Person claiming refund of IGST paid on exports of goods or services should not have received :

- Goods against advance authorization, EPCG or supply to EOU, or by bank /PSUs against advance authorization
- Inputs with reduced CGST rates of 0.5% available to merchant exporters

Further, person claiming refund should not have availed the benefit as mentioned below:

- Goods imported or procured from public or private warehouse or from international exhibition by 100% EOU, STP or EHTP units
- Imports under EPCG, advance authorisation, advance authorisation for annual requirements, advance authorisation for deemed export , advance authorisation for export of prohibited goods and narrow woven fabrics

This is to ensure that exporters don't get double benefit!

General Refund Related Clarifications:

GSTR 2A to be submitted with refund application

Format specified for submission of invoice details

Method for calculation of refund of unutilized ITC prescribed

SCN not to be issued when deficiency memo issued

Amount to be released when refund sanctioned by one officer

Re-credit of credit ledger in case of rejection of refund claim with issuance of notice

Waiver of late fee, return by composition dealer and other amendment 18



Waiver of late fee paid in certain cases

- Registered person whose return in FORM GSTR-3B for the month of October 2017 was submitted but not filed on common portal, after generation of application reference number;
- Registered person who have filed return in FORM GSTR-4 for October to December 2017, by due date but late fee was erroneously levied on common portal;
- Input Service Distributor who have paid late fee for filling or submission of return in FORM GSTR-6 for any tax period between 1st January 2018 and 23rd January 2018.



Returns to be filed by Composition Dealers converting to regular supplier

- Time limit for furnishing declaration for claim of ITC in FORM GST ITC - 01 is extended till 4th October 2018 for those persons who have filed application (in FORM GST-CMP-04) for withdrawal from composition levy between 2nd March 2018 and 31st March 2018

GST exemption is available to industrial units/ developers for upfront payment such as premium, salami, cost, price, etc. for service by way of granting of long term lease (30 years or more) of industrial plot or plots for development of infrastructure for financial business. In this regard an explanation has been added that 50 per cent. or more ownership of Central Government, State Government, Union territory may be direct or indirect

New

Transport related changes



Documents to be carried for transportation

Imported goods



Dispatch of material in lots or batches

Similar provisions already exists for transport of goods in knocked down condition, etc.

The person in charge of a conveyance shall:

- **carry a copy of the bill of entry filed by the importer of such goods**
- indicate the number and date of the bill of entry in Part A of Eway Bill

- Supplier to issue the complete invoice before dispatch of the first consignment
- Supplier to issue a delivery challan for each of the subsequent consignments, giving reference of the invoice (To be accompanied by a duly certified copy of the invoice)
- the original copy of the invoice shall be sent along with the last consignment.
- Eway Bill form amended which mentions that supply in batches or lots can be one option for choosing reason for transportation.

Godown of transporter to be mentioned as additional place of business



When

- Where the consignee stores his goods in the godown of the transporter, then the transporter's godown has to be declared as an additional place of business by the consignee.
- The transportation under the e-way bill will be deemed to be concluded once the goods have reached the transporter's godown. Hence, e-way bill validity in such cases will not be required to be extended.



Records to
be
maintained

- The transporter is to maintain accounts and records as a warehouse keeper.
- The recipient taxpayer is also required to maintain accounts and records of goods stored at the transporter's godown at his principal place of business.



E-way Bill

Whenever the goods move from the transporter's godown (i.e, recipient taxpayer's additional place of business) to the recipient taxpayer's any other place of business, a valid e-way bill will be required to be generated.

Other Clarifications



Regarding processing of refund applications filed by **Canteen Stores Department ('CSD')**

- CSD are entitled to claim a refund of 50% of applicable tax paid on all inward supplies of goods
- Procedure for application, FORM RFD-10A and processing of refund application have been clarified.

Regarding refund applications filed by **UIN entities** (Embassy/ Mission/ Consulate / United Nations Organizations / Specified International Organizations)

- To expedite the refund process, the circular provides for a refund checklist, certificate and undertaking to be submitted by UIN and a format for statement of invoices.
- It has been clarified that it is mandatory to enclose the copy of 'Prior Permission Letter' at the time of submission of GST refund for purchase of vehicle by the foreign representatives
- One-time waiver is given from recording the UIN on the invoices issued by the suppliers pertaining to the refund claims filed for the quarters from April, 2018 to March, 2019
- Amended format for monthly report provided

GST on Residential programmes or camps meant for advancement of religion, spirituality or yoga by religious and charitable trusts to **remain exempt** provided main objective is such advancement and not mere accommodation.



Clarifications – Principal Agent Relationship

Schedule I of the GST Act provides that following activity qualifies as 'supply' even in the absence of consideration:

Supply of goods—

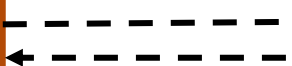
- (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or
(b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.*

What is taxable under this entry?



First leg of
Supply of goods

Principal



Agent

What has been clarified?

- Not all supply of goods between principal and agent is taxable.
- Key ingredient would be **whether the invoice for the further supply of goods on behalf of the principal is being issued by the agent or not.**
- Invoice issued by Agent in his name – then first leg taxable
- Invoice issued in Principal's name – first leg not taxable

E-way Bill clarification – Regarding imposition of 100% penalty



Section 129 of the CGST Act provides for detention and seizure of goods and conveyances and their release on the payment of requisite tax and 100% penalty

When can proceedings under Section 129 be initiated?

Absence of E-way Bill

This was a much needed clarification since 100% penalty and tax were being demanded for minor errors. However, there are many such cases which have not been specified in the circular.

When can proceedings under Section 129 NOT be initiated?

- Spelling mistakes in the name of consignor / consignee (provided GSTIN is correct)
- Error in pin-code but the address of consignor and the consignee mentioned is correct (provided the error should not increase the validity period of the e-way bill)
- Error in the address of the consignee to the extent that the locality and other details of the consignee are correct;
- Error in 1 or 2 digits of the document no. mentioned in the e-way bill;
- Error in 4 or 6 digit level of HSN where the first 2 digits of HSN are correct and the rate of tax mentioned is correct
- Error in 1 or 2 digits/characters of the vehicle number.

IMPORTANT

GST – Advance Rulings



As per Section 97(1) of the Central Goods and Services Tax Act, 2017 ('CGST Act'), an applicant desirous of obtaining an advance ruling may make an application to the Authority for Advance Ruling ('AAR')

The broad objective for setting up a mechanism of Advance Ruling is to provide certainty in tax liability in advance, in relation to an activity proposed to be undertaken by the applicant and reduce litigation. Under GST, advance ruling can be obtained for a proposed transaction as well as a transaction already undertaken by the applicant

It may be clarified that an Advance ruling is binding only on the applicant who has sought the advance ruling and on the concerned officer or the jurisdictional officer in respect of the applicant

However, the Rulings help us to ascertain the mind-set and interpretation that may be adopted by the Department. Accordingly, we have discussed a few Advance rulings issued in the past months in the subsequent slides

AAR – Works contract rate

TAG SOLAR SYSTEM. (Rajasthan)

Issue Whether supply, commissioning, installation and maintenance of Solar Water Pumping System would be taxable at 5% or 18%?

Ruling – Activity qualifies as works contract and would be taxable at 18%. Separate invoices for supply of goods and services cannot be raised since it is one composite contract.

Various Advance Ruling Authorities have given such a ruling and therefore industry should be aware that in case of one contract for supply installation testing, etc of solar plant, WOEg, etc., higher rate of GST @ 18% will be applicable.



Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (Madhya Pradesh)

Issue: Whether the works contract service supplied to applicant will be chargeable at 12% on the ground of 'building meant predominantly for use other than business'?

Ruling: Applicant held to be 'Government Entity' but works contract undertaken in respect of projects under IPDS and other government schemes for electricity distribution are the 'business' of the applicant. Hence reduced rate of 12% not applicable.

This Ruling has provided substantial clarity on how to identify if a body is a 'Government Entity' and has also clarified the scope of the works contract entry attracting GST rate of 12%

AAR on definition of Governmental Authority and payment of IGST on Ocean Freight

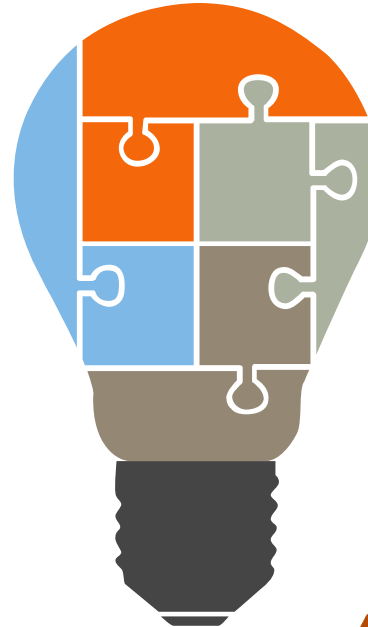
P Decor Limited (Rajasthan)

Issue: Whether GST Exemption available to pure services provided to Governmental Authority is available for Project Management Consultancy provided to JDA in relation to rejuvenation of Nallah?

Ruling: Yes

Jaipur Development Authority ('JDA') held to be a 'Governmental Authority' due to the following reasons:

- JDA has been constituted under JDA Act
- JDA was set up for Urban Development of Jaipur to carry out function entrusted under Article 243G of the Constitution
- Reference was made to the JDA Act which lays down the constituting members of JDA and that the same is under the control of State Government



CIF and
FOB
imports !!

Chambal Fertilizers and Chemicals Limited (Rajasthan)

Issue: (i) whether in case of import of goods on CIF basis, the applicant is liable to pay GST on the component of Ocean freight paid by the foreign supplier ?

(ii) whether in case of import of goods on FOB, the applicant, for the purpose of determination of value of goods for payment of IGST, is required to exclude the value of the component of Ocean freight on which already GST is paid by applicant?

Ruling: The Authority ruled that Applicant is liable to pay GST under RCM in case of CIF as well as FOB transactions. Refrained from commenting on Customs valuation and double taxation.

AAR – GST rate on Royalty and availability of ITC for setting up of infrastructure



Pioneer Partners (Haryana)

Issue Classification and GST rate of services for which royalty and dead rent in relation to mining is paid

Ruling – Services for the right to use minerals including its exploration and evaluation against payment of Royalty/dead rent paid/payable are classifiable under heading 9973 and as per residual clause (viii) of Sr. no. 257 of Annexure to GST Rate Notification, it attracts the same rate of tax as on supply of like goods involving transfer of title in goods. Therefore, GST on Royalty is to be paid on the same rate as applicable on the sale of mineral.

This is a very beneficial ruling for the **MINING SECTOR** as most minerals (coal, manganese, etc,) attract GST rate of 5%



Vindhya Telelinks Limited (Uttarakhand)

Issue: Applicant seeks a ruling on the question whether ITC of goods and services used for erection of infrastructure to which fibre cables are connected for leasing to Telecommunication Operators, is available to them.

Ruling: Infrastructure provided by the applicant is different from 'Telecommunication Tower' and is not an immovable property. The Infrastructure can be easily moved to another place for use without any damage to the entire infrastructure, therefore it is a movable property and applicant can avail ITC of GST paid on the goods & services consumed while providing the supply in question.

Legal Snippets – From the Supreme Court and High Courts

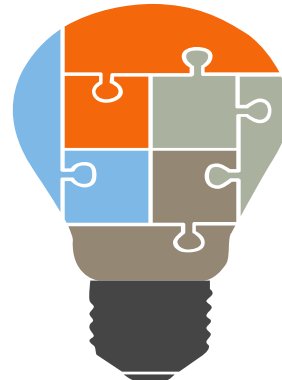
M/s Dhamtari Krishi Kendra – (Madras HC)

Issue: Petitioner unable to submit FORM GST TRAN-1 to avail input tax benefit due to technical glitches and manual return not accepted.

Ruling: The Madras High Court ordered the GST Authorities to either open the portal or accept the TRAN-1 filed manually to allow eligible credit to the Applicant. The Court observed as under:

The due date contemplated under the laws to claim transitional credit is procedural in nature. In view of the GST regime and IT platform being new, it may not be justifiable to expect the users to back up digital evidence ... it is a settled legal position that substantive input credits cannot be denied or altered on account of procedural grounds

While this is a very important decision, Madras High Court has stated that this case is not to be taken as precedent since the same has been passed due to special circumstances of the case,



M/s Gati Kintetsu Express Pvt Ltd (Interim order passed by SC)

Issue: Petitioner had not filed Part B of FORM EWB-01 for transportation of goods for a total distance of 1200-1300km. High Court had ordered that Petitioner was liable to pay 100% penalty.

Ruling: Interim order has been issued by the SC stating that since the petitioner has paid the tax dues, the goods should be released and decision on imposition of penalty will be issued subsequently.

The final decision in this case will be crucial and trade would expect the Supreme Court to give a breather in relation to such strict penalty norms for E-way Bill.

3

Custom updates

- Notifications and Circulars

Customs – Non-tariff Notifications



Customs Tariff
Determination of Origin of
Goods under the
Comprehensive Economic
Cooperation Agreement
between the Republic of
India and Republic of
Singapore (Amendment)
Rules, 2018 notified



- Origin norm relaxed slightly to permit 65% of FOB value to originate in other country (subject to fulfillment of other conditions)
- De Minimis Rule prescribed
- Other changes made



Fixation of Tariff
Value of Edible
Oils, Brass Scrap,
Poppy Seeds,
Areca Nut, Gold
and Silver

Notification No.
82/2018-Cus
(NT) dated
24.09.2018

Regarding
amendment in
Notification No.
89/2017-Cus (N.T.)
dated 21.09.2017
relating to All Industry
Rate of Duty
Drawback on Gold
Jewellery, Silver
Jewellery and Silver
Articles

Customs – Tariff Notifications

Notification No.	Implications
60/2018	Amends Notification No. 158/95-Customs dated November, 14 1995 to <u>allow re-import of certain indigenously manufactured electronic goods</u> , for repair and reconditioning within seven years from the date of exportation, without payment of basic customs duty subject to the condition that the goods are re-exported back after repair and reconditioning within one year from the date of re-importation.
61/2018	Amends Notification No. 73/2005 - Customs, dated July, 22, 2005 and Notification No. 10/2008- Customs, dated January 15, 2008 to bring about necessary changes as per the second protocol amending the <u>India Singapore Comprehensive Economic Cooperation Agreement</u> . New entries added.
62/2018	Vide Notification No.56/2018-Customs the Indian Government had sought to increase the Customs duty on certain good imported from <u>United states of America</u> w.e.f. September 18, 2018. Vide the current Notification, the effective date of the hike will be November 2, 2018
63/2018	Customs Exemption Notifications No. 24/2015-Customs dated 08.04.2015 to align it with amendment in Foreign Trade Policy. <i>(Relates to Duty Credit Scrip under MEIS)</i>

Provides a specific Annexure for such electronic goods.




Customs – Tariff Notifications

Notification No.	Implications
65/2018	Extends the exemption from IGST and Compensation Cess upto 31.03.2019 on goods imported by EOU and goods imported against Advance Authorization /EPCG authorization.
66/2018	
67/2018 to 70/2018	Seeks to increase the Customs Duty rate on certain products. doubled the customs duty on imported air conditioners, household refrigerators, footwear, articles of jewellery, Aviation Turbine Fuel, Plastic-ware, kitchen-ware etc. The increased rates have been made applicable from September 27. Refer Annexure for detailed list and rate changes
71/ 2018	Extends exemption to additional Capital goods imported by the IT Industry, subject to actual user condition. Includes PCB coating machine, winding machine used in mobile phones, some imports for printed circuit boards, etc.
72/2018	Seeks to reduce the import duty on parts/ components used in manufacturing of specified textile machinery to Nil.



Customs – Anti Dumping Notifications



Notification No.	Implications
43/2018	Seeks to levy anti-dumping duty on Glass CSM originating in or imported from Thailand in view of circumvention of Anti dumping duty imposed by vide Notification 48/2016 Customs(Add) dated 1 September 2016
44/2018	Anti-Dumping Duty levied on 'Graphite Electrodes of all diameters' originating in or exported from China PR discontinued
46/2018	Seeks to impose definitive anti-dumping duty on the imports of "Flat Base Steel Wheels" originating in or exported from China PR for a period of 5 years at prescribed rates.
48/2018	Amends provisions relating to Anti-dumping duty on Saturated Fatty Alcohols, originating in, or exported from, Indonesia, Malaysia and Thailand

Customs – Clarifications / Instructions

Mandatory RFID deferred till 1-11-2018

Mandatory Radio Frequency Identification ('RFID') sealing or electronic sealing in case of movement of goods from Customs Bonded Warehouses deferred till November 1, 2018. This has been done to enable establishment of infrastructure and procurement of seals by warehouse owners.



E-verification / compliance – Registration with ICEGATE



As the Government strives to shift to electronic compliance and correspondence, Importers, exporters, customs brokers and other beneficiaries transacting with Customs are required to get registered with ICEGATE.

Cost Accountants can also issue certificate

As an interim solution for refund sanction, it was provided that exporters whose records were not transmitted from GSTN to Customs due to mismatch in GSTR 1 and GSTR 3B can submit certificate from Chartered Accountants. **Now Cost Accountants are also authorized to provide requisite certificates**



Customs – Clarifications / Instructions



24×7 Customs Clearance

The facility of 24×7 Customs clearance will be made available at M/s Adani Kattupalli Sea port in Chennai, for the following:

- Goods covered by 'facilitated' Bill of Entry;
- Reefer containers with perishable/ temperature sensitive export goods sealed in the presence of Customs officials
- Goods exported under free Shipping Bills.



Export facilitation to Nepal & Bangladesh

Procedure for facilitating transshipments of consignments sealed under Electronic Cargo Tracking System at ICD / CGS through Land Customs Stations ('LCS') for exports to Nepal or Bangladesh extended to more LCS

Safeguard Duty on Solar Cells

It has been clarified that Safeguard Duty on Solar Cells will be applicable with effect from July 30, 2018. Interim order passed by Supreme Court has been set aside.



4 FTP updates

- Notifications, Public Notices, Circulars & Trade Notices.

FTP Notifications & Public Notices



- Exemption from IGST and Compensation Cess **extended upto 31.03.2019 under following:**
 - (1) Advance Authorization under Para 4.14 of Foreign Trade Policy 2015-20
 - (2) EPCG Authorization under Para 5.01 (a) of FTP 2015-20 &
 - (3) EOU scheme under Para 6.01(d) (ii) of FTP 2015-20
- Para 4.14, Para 5.01 (a) & Para 6.01 (d) (ii) of FTP 2015-20 are amended as above



Amendments in the Appendix 3B of the MEIS

- The MEIS benefits for certain items has been enhanced from 10% to 20% for the period 24.09.2018 to 12.01.2019
- HS Codes are listed below-
- 04063000; 04069000; 04011000; 04012000; 04014000; 04015000; 04021010; 04021020; 04021090; 04022100; 04022910; 04022990; 04029110; 04029190; 04029910; 04029920; 04029990; 04031000; 04039010; 04039090; 04041010; 04041020; 04041090; 04049000; 04061000; 04062000; 04064000

FTP Trade Notices

Subject	Implications
<p>Guidelines to apply for MEIS under the System Driven approval mechanism for MEIS applications for shipping bills from EDI ports</p>	<p>For the “Ease of doing business” DGFT had started the process of system driven approval of the MEIS application from 13.09.2018 in respect of exports made through EDI shipping bills.</p> <p>The process for MEIS application is same as before. However, after submission MEIS application will be approved automatically by the system. Earlier, Regional Licensing Authority (RLA) used to verify the application & then approve the MEIS application.</p> <p>Applicants will not be able to submit MEIS application in following cases:-</p> <ol style="list-style-type: none"> 1. IEC is in Denied Entity List / Suspended IEC / Cancelled IEC. 2. RCMC is not valid 3. Applied to wrong RLA & 4. Shipping bills which are already attached to any earlier application.
<p>Charging of Fees for REX Registration</p>	<p>Vide Public Notice No. 51 dated 30.12.2016, Registered Exporter System (REX) Registration has been introduced for self-certify the statement on origin of their goods being exported to European Union (EU). REX registration is free of charge. However, few agencies are charging exporters for REX registration which is not correct.</p>
<p>Activation of E com Module for SEIS based on ANF 3B</p>	<p>New online module for SEIS application against FYI 2017-18 is further extended up to 03.10.2018</p>



Increased Customs Duty – Effective 27-09-2018

Item Description	Old rate	New Rate
imported air conditioners, household refrigerators, and washing machine weighing less than 10 kilograms	10%	Doubled the customs duty to 20%
Aviation turbine fuel	Nil	5%
Imported footwear	20%	25%
Speakers, radial car tyres, plastic-made bathroom fittings, plastic boxes and bottles, as well as tableware, kitchenware and other household items of plastics, Miscellaneous plastic items, and trunks, suitcase, executive cases, brief cases, travel bags and other bags	10%	15%
Cut and polished diamond, semi-processed, half cut or broken diamonds, lab-grown diamonds, cut and polished coloured gemstones	5%	7.5%
Articles of jewellery, goldsmith and silversmith wares and their parts which are either made of precious metals or covered in them	15%	20%

About VK&S



SERVICES

Customers are the source of real
growth with practical expertise.

Vijaywargi Khabiya and Saoji, Chartered Accountants, is a single window professional services firm focusing on high quality services one needs from a business advisory organization. The firm is managed by dynamic & pulsating partners with decade long professional experience. The firm provides services and consultancy related to accounting & implementation thereof, auditing including internal, statutory, tax, concurrent and management audit, matters related to direct & indirect tax including advisory, litigation, due diligence review, tax optimization and compliance services, outsourcing of accounts, payrolls, FEMA, Company Laws matters, Project Financing, Subsidies, and the like

Contact us



ANY QUESTIONS?

VIJAYWARGI KHABIYA & SAOJI

CHARTERED ACCOUNTANTS

1st Floor, Keshav Complex, 10 No. Pulia
Kamptee Road, Nagpur-440004
Maharashtra India

Phone: 0712 2642654

info@cavks.in

www.cavks.com

