



**ICAI MANGALORE**  
INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

## The **Bulletin Board**

## e- Bulletin



Volume IX | October 2018

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*Thought for the Month:*

*I'm taking all the  
negatives in my life,  
and turning them  
into a positive.*

*-Pitbull*



Mangalore Branch of SIRC of ICAI | ICAI Bhawan | Padil | Mangalore – 575007

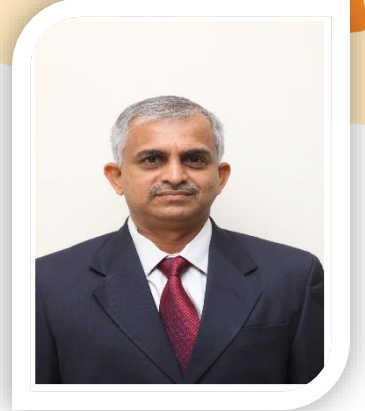
Tel: 0824-2439722 Email: [mangalore@icai.org](mailto:mangalore@icai.org)

## Chairman's Message

**CA B Shivananda Pai**  
**Chairman**  
**Mangalore Branch of SIRC of ICAI**

31.10.2018

Dear Professional Colleagues,  
Greetings of the season.



Our Students are the next gen professionals. They have been putting in their efforts in all round development of their personality. The activities of SICASA are towards that direction. While Students appreciate the Orientation and the GMCS like activities, I find less of their participation in knowledge gaining activities like study circle meetings, seminars, conferences. The study circle meetings not only complement their curriculum but also build one's confidence in public speaking too. I request you all to encourage your students to conduct and participate in study circles at city office of the branch.

The crash course for the exams, conducted by the branch has given good results. The students who have attended have given very good feedback about the crash course. In the months of September and October crash courses for intermediate/ IPCC and Final were held at the branch.

Students who are writing Exams in the month of November, may have completed their preparation by now. I request them to maintain their calm and stay focused, during the times of exams and do well. I wish them all the success in their exams.

We are hosting a CA Students Conference in December, as a part of our program to equip our students towards excellence. Please encourage your students to present papers at the conference. The details regarding the program will be mailed separately.

## Chairman's Message



As tax audit season is almost over for the year, we need to prepare for the GST audits. In that regard few programs are chalked out for the members in November.

My complements to all of you for a successful completion of the Tax audit season. My best wishes for the emerging professional opportunities.

*With Best regards*

*CA Shivananda Pai B.*

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## Branch Activities October 2018



Sl No	Date	Activities at Branch for the Students	Number of Participants
1	04.10.2018	Mock Test October 2018 Examination Subject: Accounting ( Old syllabus) Subject: Accounting ( New syllabus	Students: 7
2	05.10.2018	Mock Test October 2018 examination Subject : Business Ethics and Communication (Old syllabus) Subject : Corporate law & other law ( New syllabus)	Students: 2
3	06.10.2018	Mock Test October 2018 examination Subject : Cost Accounting & Financial Management ( Old Syllabus) Subject : Cost & Management Accounting (New Syllabus)	Students: 3
4	08.10.2018	Mock Test October 2018 examination Subject : Taxation ( Old) Subject : Taxation (New)	Students: 2
5	09.10.2018	Mock Test October 2018 examination Subject : Advanced Accounting ( New)	Students: 1
6	10.10.2018	Mock Test October 2018 examination Subject : Auditing & Assurance	Students: 1
7	11.10.2018	Mock Test October 2018 examination Subject : Enterprise Information System & Strategic Management ( New)	Students: 1
8	12.10.2018	Mock Test October 2018 examination Subject : Financial Management & Economics for Finance ( New)	Students: 1



## News and Updates

### **1. Notifications Issued under CGST Act, 2017 Regarding Refund to UIN Entities are Applicable To GST (Compensation To States) Act, 2017**

Section 55 of CGST Act, 2017 prescribes for refund of taxes paid by specified International Organizations, Foreign Diplomatic Missions or Consular Posts etc on notified supply of goods or services received by them subject to such conditions as may be prescribed. In this regard, **Notification No. 16/2017-Central Tax (Rate) dated 28.06.2017** has been issued. A question was raised whether such entities can claim refund of the Compensation Cess paid on goods or services received by them. It was clarified that vide section 11 of Compensation Cess Act, 2017 that the provisions of CGST Act and SGST Act are applicable in relation to levy and collection of Compensation Cess. Therefore, the notifications issued under CGST Act except those prescribing rates or granting exemptions, are applicable for the purpose of the Compensation Cess Act. Accordingly, the said entities are eligible to claim refund of Compensation Cess also if any paid-on goods or services received by them.

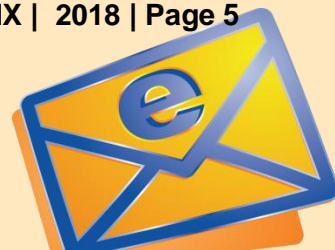
**{Circular No. 68/42/2018 - GST Dated 05.10.2018}**

### **2. Guidelines for Deduction and Deposit of TDS under GST**

Every deductor who is required to deduct tax under Sec-51 of the CGST Act, 2017 have to register on common portal as a 'Tax Deductor' and file form GSTR-7 monthly on or before 10<sup>th</sup> of the succeeding month. He has to issue a certificate to the deductee mentioning therein the contract value, rate of deduction, amount deducted etc. He shall deposit the amount of tax either by way of separate challan for every payment to be made or for a consolidated amount of tax deduction on a weekly, monthly or any periodic manner and shall prepare a bill specifying the details like total amount, net amount payable to the supplier, 2% TDS amount of GST keeping under suspense head. He shall maintain a register in the prescribed format for the amount of tax deducted.

**{Circular No. 65/39/2018-DOR Dated 14.09.2018}**





## News and Updates

### **3. GST On Residential Programmes Or Camps Meant For Advancement Of Religion, Spirituality Or Yoga By Religious And Charitable Trusts**

According to **notification no 12/2017 - Central Tax (Rate) dated 28th of June 2017**, the charitable activities mentioned therein performed by an entity registered under Section 12AA of the Income Tax Act, 1961 are exempt. As per the given notification, fee if any collected from the participants to conduct programs relating to advancement of religion, spirituality or yoga are exempt. Sometimes the programs offered are residential and the fee collected would include charges for accommodation, food, drinks. It is clarified that the fee towards accommodation, food, drinks would also be exempt if the predominant activity of such residential programmes is advancement of religion, spirituality and yoga.

**{Circular No. 66/40/2018-GST Dated 26.09.2018}**

### **4. Clarification On Deficiency Memos Issued For Export Refund Applications**

It has been previously clarified through **Circular No. 59/33/2018-GST dated 04.09.2018** that in case of deficiency memo issued for refund applications filed, the exporter is required to file a fresh application. It was also clarified that once a deficiency memo has been issued against an application for refund, the ITC debited at the time of filing application is required to be re-credited to electronic credit ledger of applicant by using GST RFD-01B. It is now clarified that GST portal does not allow taxpayer to file a fresh refund application for the same period on more than one occasion. Therefore, it is clarified that till such facility is developed in GST portal, taxpayers would be required to submit the rectified refund application manually under earlier ARN (generated at the time of filing the original application) only. It is also clarified that there is no requirement of re-credit of refund amount in cases where a deficiency memo has been issued.

**{Circular No. 70/44/2018-GST Dated 26.10.2018}**

## News and Updates



### NOTIFICATIONS

#### **1. Reverse Charge Mechanism Under Sec-9(4) Is Postponed**

Reverse charge applicability for goods or services procured from unregistered suppliers has been deferred by issuing various notifications from time to time till 30<sup>th</sup> September, 2018. Now this notification has been issued to defer its applicability till 30<sup>th</sup> September 2019.

**{Notification No. 22/2018- Central Tax (Rate) Dated 06.08.2018}**

#### **2. Expansion Of The List Of Handcrafted Goods To Grant Exemption To Casual Taxable Person From The Requirement Of Registration**

**Notification 32/2017-Central Tax** read with **Notification 8/2017-Integrated Tax** grants exemption from the requirement of registration to a casual taxable person engaged in supply of handcrafted goods provided that the aggregate turnover does not exceed twenty lakh rupees. These notifications are now superseded by the below mentioned notifications, which expands the list of handcrafted goods to allow the casual taxable persons dealing with such goods also to claim this benefit. The expanded list of handcrafted goods includes handbags, pouches, purses including jewellery box, wooden frames of painting, photographs, mirrors bangles, beads and small ware, ornamental framed mirrors, glass statutes etc.

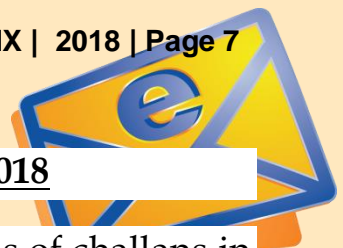
**{Notification No. 56/2018-Central Tax & Notification No. 3/2018-Integrated Tax Dated 23.10.2018}**

#### **3. Due Date To File Final Return For Registrations That Are Cancelled On Or Before 30th September 2018**

In terms of Section 45 of CGST Act, 2017, every registered person whose registration has been cancelled shall be required to furnish a final return within three months of the date of cancellation in form GSTR-10. The GST portal has recently enabled with the filing facility of this return. In view of this reason, it is notified that persons whose registrations were cancelled on or before 30<sup>th</sup> September 2018 are required to file the final return till 31<sup>st</sup> December 2018.

**{Notification No. 57/2018-Central Tax Dated 26.10.2018}**

## News and Updates



### 4. Extension Of Due Date To File GST ITC-04 To 31<sup>st</sup> December 2018

In terms of Rule 45(3), the Principal is required to furnish the details of challans in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another during a quarter in GST ITC-04 on or before 25<sup>th</sup> of the month succeeding the said quarter. Because of the GST portal related challenges, the due dates for filing this form for various quarters has been extended from time to time. It is now notified that the due date to file this form for the period July, 2017 to September, 2018 as 31<sup>st</sup> December, 2018.

**{Notification No. 59/2018-Central Tax Dated 26.10.2018}**

### 5. Rationalizing The Restrictions To Claim Refund Of IGST Paid On Exports When Goods Are Imported Under EOU Or EPCG Scheme

Rule 96 of CGST Rules, 2017 prescribes for refund of IGST paid on export of goods. Sub-rule (10) of the said rule prescribed a condition that the exporter of goods should not have procured the goods from a supplier who is availing deemed export benefit or procuring goods at a concessional rate of 0.1% as applicable to a merchant exporter or importing goods under EOU or EPCG scheme. In such cases, the Exporter must compulsorily export the goods under bond or LUT and can claim refund of accumulated ITC on actual basis to the extent of inputs used for exports under Rule 89(4B). Vide **Circular No. 45/19/2018-GST dated 30.05.2018**, it has been clarified by CBIC that the said restriction is only applicable to those exporters who are receiving goods from those suppliers availing the above said benefits. The restriction is not applicable to exporters who are directly importing the goods under EOU or EPCG scheme. **Notification 39/2018-Central Tax dated 04.09.2018** has been issued to apply the said restriction retrospectively to exporter of goods who are importing the goods directly on their own under EOU or EPCG scheme.

This unexpected retrospective amendment denied refund for many of the exporters who have already imported goods under EOU or EPCG scheme and exported their goods by paying IGST. After due representations of the unwarranted hardship, the retrospective applicability of said restriction has been taken away and the said restriction is applicable prospectively from 09.10.2018. Further, the restriction is limited to imports under EOU scheme only and is not applicable to imports under EPCG scheme. Further, Rule 89(4B) is also amended in this context to provide that in cases where exporters have imported goods under EOU scheme, the refund of accumulated ITC can be given to the extent of actual availment of ITC on inputs used for exports.

**{Notification 53/2018 – Central Tax and 54/2018-Central Tax Dated 09.10.2018}**





## Managing Committee 2018-19



Managing Committee

**CA Shivanand Pai, Chairman**  
**CA Ananthapadmanabha, Vice-chairman**  
**CA Raviraj B, Secretary**  
**CA K Subramanya Kamath, Treasurer**  
**CA Abdur Rehman Musba, Chairman**  
**Mangaluru SICASA**  
**CA Aravinda Krishna, Member**  
**CA Edyll D;silva, Member**  
**CA Bhargav Tantri, Immediate Past**  
**Chairman**

*from Left to Right- CA. Aravinda Krishna ( Member), CA. Abdur Rahman Musba ( chairman SICASA, Mangalore), CA. K. Subramanya Kamath ( Treasurer), CA. Ananthapadmanabha( Vice Chairman), CA. Shivanand Pai ( Chairman), CA. Keshava Ballakuraya ( Past chairman), CA. Raviraj B ( Secretary), CA. Edyll D'Silva( Member) , CA. Bhargava Tantri ( Immediate Past Chairman)*

*The Managing Committee of Mangalore Branch of SIRC of ICAI invites articles, write-ups and other similar materials in the areas of Accounting, taxation or any other subject of professional interest for publishing in its e-bulletin. The articles submitted for consideration of publication should be of 2,000- 4,000 words typed double space on A4 size paper with 1 inch margin all around. Soft copy of the article may be sent to [icaiebulletin@gmail.com](mailto:icaiebulletin@gmail.com) / [mangalore@icaiorg](mailto:mangalore@icaiorg).*

*Feedback on this e-bulletin can be sent to the editorial team @ [icaiebulletin@gmail.com](mailto:icaiebulletin@gmail.com)*

### **Editorial Team:**

*CA Prasanna Shenoy M / CA Gautham Nayak M /Committee Members*