



ICAI MANGALORE

INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

The Bulletin Board

e- Bulletin



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Thought for the Month:

Frustration, although quite painful at times, is a very positive and essential part of success.

-Bo Bennett



Quality



Trust



Integrity

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Chairman's Message



CA B Shivananda Pai
Chairman
Mangalore Branch of SIRC of ICAI

30.09.2018



Dear Professional Colleagues,

Time management is a crucial factor in performance of professional duties. It is more appropriate to our profession during the months from July to October, as a lot of professional assignments are being handled. The multi-tasking is a common feature of a member during the season. Our members are more determined and are working like saints and sages. As Our Honourable Prime minister said "CAs are Big Pillars of Indian Economy, they are like Saints and Sages of Economic World", our members are contributing towards the Nation Building by way of Guiding their Clients and other stake holders in effective implementation of tax, corporate laws etc. The role of a Chartered Accountant is being felt more and more by all the stake holders.

As the tax audit season for the members is at it full steam, members are clinched to their offices, engrossed with Tax audits . The dates for tax audit cases, extended by 15 days. That should give some ease of work for some of the members.

The GST Annual Return and Audit under GST are also give new professional avenues to members. To equip for the same, with the provisions and amendments thereto, One day CPE seminar on GST Audit - Approach, Practical Issues and Challenges was held on 18th September 2018 CA Rajesh Kumar T.R, Bangalore, CA ShravanDota, Mangalore, CA Lakshmi G.K, Bangalore, discussed the topic in depth.

With Best Regards,

CA. Shivananda Pai B.

Branch Activities September 2018



Sl No	Date	Activities at Branch for Members	CPE Hours/ Number of Participants
1	18.09.2018	<p>One Day CPE Seminar On GST Audit – Approach, Practical Issues and Challenges. Topic: Aspects to be covered under Sec. 35(5) Audit Common Errors to be avoided in Audit. Speaker: CA Rajesh Kumar T R Topic: Approach to GST Audit and relationship with other audits. Speaker: CA Shravan Dota Topic: Aspects to be focused in reconciliations under Sec. 44(2) and annual returns. Speaker: CA Lakshmi G.K Topic: Panel Discussion- Challenges faced in Audit Speaker: CA Rajesh Kumar T.R CA Shravan Dota CA Lakshmi G.K</p>	<p>Members: 52 Students: 25 Others: 2 CPE Credit: 6 Hours</p>



Branch Activities September 2018

Sl No	Date	Activities at Branch for the Students	Number of Participants
1	09.09.2018 To 14.09.2018	Crash Course September 2018 examination Subject: Business Laws, Ethics & Communication (old syllabus) Subject: Business Laws, Ethics & Communication (new syllabus) Faculty: CA Punarvas Jayakumar	Students: 11
2	13.09.2018 To 15.09.2018	Crash Course September 2018 examination Subject: Auditing & Assurance (combined with Law) Faculty: CA Punarvas Jayakumar	Students: 8
3	16.09.2018 To 23.09.2018	Crash Course September 2018 examination Subject: Costing (old syllabus) Subject: Costing (new syllabus) Faculty: CA Hariharan	Students: 22
4	22.09.2018 To 23.09.2018	Crash Course September 2018 examination Subject: Financial management (combined with costing old syllabus students) Faculty: CA Hariharan	Students: 16
5	24.09.2018 To 29.09.2018	Crash Course September 2018 examination Subject: Advanced Accounting (old) Subject: Advanced Accounting (new) Faculty: CA Vinuta Hegde	Students: 11
6	07.09.2018 To 10.09.2018	Crash Course September 2018 examination Subject: Indirect Tax Faculty: CA Shankar Narayan	Students: 17
7	16.09.2018 To 23.09.2018	Crash Course September 2018 examination Subject: Advanced Management Accounting Faculty: CA Hariharan	Students: 17
8	25.09.2018 To 30.09.2018	Crash Course September 2018 examination Subject: Direct Tax (old) Subject: Direct Tax (new) Faculty: CA Gaurav Rajaram	Students: 15
9	17.09.2018	13 th Batch Of ICITSS - Orientation Course	Students: 37



Branch Activity Gallery September 2018



CPE Seminar on GST Audit on 18-09-2018

News and Updates



CIRCULARS

1. Clarification on Lapsing Of ITC as on 31st July 2018 In Case Of Fabric Manufacturers:

In Fabric manufacturing, inputs like yarn, process chemicals, packing materials and other services are subject to GST at varied rates from 5% to 18%. The finished fabrics are subject to GST at 5% which has resulted into inverted tax structure i.e. tax paid on inputs is more than the tax payable on output. Section 54(3) has provided for refund of such excess input tax in these scenarios. However, **Notification No. 5/2017-Central Tax dated 28.06.2017** was issued by Government to deny refund on 10 categories of fabrics. This restriction was taken away through Notification No. 20/2018-Central Tax with effect from 01.08.2018.

In this regard, it is clarified that Section 54(3) permits refund of ITC availed on inputs alone under inverted tax structure scenario. The excess input tax credit after paying the tax for the month of July, 2018 that is attributable to inputs alone shall be lapsed out. The same shall be determined using the formula prescribed in Rule 89(5) of **CGST Rules, 2017**. It is also clarified that no refund of ITC availed on input services and capital goods can be claimed and need not be lapsed. It is further clarified that there no restriction with respect to claim of refund of ITC accumulated because of exports i.e. Zero-rated supplies in **Notification 5/2017-Central Tax** and accordingly ITC on Zero rated supplies shall not lapse.

{Circular No.56/30/2018-GST dated 24th August 2018}

2. Recovery of Wrongly Availed Cenvat Credit or Transitional Credit:

CBIC vide **Circular No. 42/16/2018-GST dated 13th April 2018** has clarified that arrears arising under existing laws can be collected as central tax liability which shall be recorded in Part II of Electronic Liability Register. As the said functionality to record the liability in Electronic Liability Register is presently not available on GST Portal, it has been clarified now that as an alternative method, taxpayers may reverse the wrongly availed CENVAT credit under the existing law and inadmissible transitional credit through Table 4(B)(2) of GSTR-3B. The applicable interest and penalty shall apply on all such reversals which shall be paid through entry in column 9 of Table 6.1 of GSTR-3B.

{Circular No. 58/32/2018-GST dated 04.09.2018}



News and Updates

3. Simplification Of Export Refund Process:

It has been clarified that there is no requirement to submit hard copy of inward invoices on which ITC was availed and are reflected in GSTR-2A statement of exporter. Hard copy of invoices is required to be submitted only in those cases where the said inward supplies are not reflected in GSTR-2A. Clarified that proper officer should not insist for hard copy of invoices for all inward supplies.

It is clarified that in case where a deficiency memo is issued for a refund claim, then the entire claim is required to be submitted afresh. In such cases where deficiency memo was issued but no fresh claim was submitted, the claims submitted need not be processed and no show cause notices are required to be issued in order to process these claims.

In terms Section 54(14) of the CGST Act, 2017 no refund shall be paid if the amount is less than Rs.1000/-. It is clarified that Rs.1000/- is to be applied per each tax head separately and not cumulatively.

{Circular No. 59/33/2018-GST dated 4.09.2018}

4. Procedural Aspects Relating To Refunds Filed By Canteen Stores Department:

Canteen Stores Department (CSD) are entitled to claim refund of fifty percent of the central tax or integrated tax or union territory tax paid on all inward supplies of goods for subsequent supply in such stores. With a view to expediate the refund process, it has been clarified that refund is not for accumulated input tax credit but is based on invoices of inward supplies of goods received by them. CSD are required to make manual claims in GST RFD-10A on quarterly basis until the online utility is made available on GST portal. It is also clarified that the officer may rely on GSTR-2A as an evidence of the accountal of the supply made by the corresponding suppliers to the CSD in relation to which the refund has been claimed.

{Circular No. 60/34/2018-GST dated 04.09.2018}

News and Updates



5. E-Way Bills For Storing Goods In Godown Of Transporter:

The transporters engaged in transportation of textiles are also providing godown facilities for storage. Transporters are facing difficulty in taking registration and maintain details of goods stored in their godown and raise e-way bills for sending them to recipient. To avoid their registration, it has been clarified that the consignee/ recipient taxpayer can declare such transporter's godown as additional place of business. In such cases, the transportation under the e-way bill issued by supplier shall be deemed to be concluded once the goods have reached the transporter's godown (recipient taxpayer' additional place of business). Hence, e-way bill validity in such cases will not be required to be extended.

{Circular No. 61/35/2018-GST dated 04.09.2018}

6. Clarification on Tax Liability of Priority Sector Lending Certificates (PSLC):

It is clarified that GST on PSLCs for the period 01.07.2017 to 27.05.2018 will be paid by seller bank on forward charge basis and GST rate of 12% will be applicable on such supply.

{Circular No. 62/36/2018-GST dated 12.09.2018}

7. Clarifications Regarding Refund Claims By Uin Entities:

It is clarified that UIN entities are eligible to claim refund of tax paid on inward supplies based on letter of reciprocity issued by Ministry of External Officers (MEA). In several cases, it was observed that refund claims are filed on all inward supplies including those which are not eligible based on letter of reciprocity. UIN entities are required to submit a Statement of Invoices along with hard copies. UIN entities are also required to submit prior permission letter obtained from MEA at the time of filing application for refund of GST paid on vehicles purchased by such entities. The requirement of mentioning UIN Number in the invoices issued by suppliers to these entities has been waived for the period April 2018 to March 2018. It is further clarified that personnel of UIN entities are not eligible to claim any refund.

{Circular No. 63/37/2018-GST dated 14.09.2018}

News and Updates



NOTIFICATIONS

1. Extension Of Due Date For Filing Form GST ITC-04 Up To 30th September 2018:

Under GST Laws, the Principal is required to declare the goods sent to or received from Job Worker on a quarterly basis in Form GST ITC-04 by 25th of the month succeeding the quarter. However, since implementation of GST, the due dates for filing this form for various quarters has been extended due to inadequate preparedness of the GST Portal. In view of this reason, the requirement of filing this form for the period July 2017 to June 2018 has been extended one more time up to 30th September 2018.

{Notification no. 40/2018 - Central Tax dated 04.09.2018}

2. Waiver Of Late Fee In Filing GSTR-3B, GSTR-4 AND GSTR-6 For Certain Specified Cases:

The late fee payable for delay in filing GSTR-3B for the month of October 2017 has been waived off in all cases where the return has been submitted in GST portal but not filed after the generation of ARN. Further, in certain cases, the GST portal has erroneously calculated late fee with respect to filing of GSTR-4 (return to be filed by composition taxpayer) for the period October to December 2017. Such erroneous charge of late fee has been waived off. Further, the late fee paid by input service distributors for filing GSTR-6 for any tax period between 01st January 2018 to 23rd January 2018 has also been waived off.

{Notification no. 41/2018 - Central Tax dated 04.09.2018}

3. Extension Of Time Limit To File ITC-01 In Specified Case:

The registered person who has withdrawn from Composition Scheme is required to file FORM ITC-01 within 30 days to avail input tax credit on the closing stocks. If any registered person has withdrawn from composition scheme in between 02.03.2018 and 31.03.2018, the time limit for filing the FORM ITC-01 for the said persons has been extended till 03.10.2018 (i.e. 30 days from issue of Notification).

{Notification no. 42/2018 - Central Tax dated 04.09.2018}

News and Updates



4. Extension Of Due Date For Filing GSTR-1 By Taxpayers Having Turnover Upto 1.5 CR

In the said notification the due date for filing the GSTR-1 return has been extended for the registered persons having aggregate turnover upto Rs. 1.5 Crores in the preceding financial year or the current financial year.

Period	Revised Due Date
July 2017 to September 2018	31-10-2018
October 2018	11-11-2018
November 2018	11-12-2018
December 2018	11-01-2019
January 2019	11-02-2019
February 2019	11-03-2019
March 2019	11-04-2019

{Notification no. 44/2018 - Central Tax dated 10.09.2018}

5. TDS And TCS Provisions Are Notified:

Section 51 of CGST Act, 2017 provides for obligation of Tax Deducted at Source (TDS) on Government Departments and Agencies where the total value of supply under a contract exceeds two lakh and fifty thousand rupees. Similarly, Section 52 of CGST Act, 2017 provides for obligation of Tax Collected at Source (TCS) by e-Commerce Operator on the taxable supplies made through it. The provisions of TDS and TCS are notified to be effective from 1st October, 2018. The rate of TDS is provided in Section 51 as 2% while the rate of TCS has been notified at 1%.

{Notifications 50/2018-CT, 51/2018-CT and 52/2018-CT dated 13.09.2018}

News and Updates



6. Amendment Of GST Rules, 2017 To Extend The Due Date For TRAN-01 For Specified Cases:

A new sub-rule (1A) has been inserted in Rule 117 of CGST Rules, 2017 to empower the Government to extend the due date for TRAN-1 for further period not beyond 31.03.2019 for those registered persons who could not submit the said declaration by the due date on account of technical difficulties on the portal and in respect of whom the Council has made a recommendation for such extension. Further, a proviso has been inserted in sub-rule (4) of the said rule to provide that the registered persons filing the declaration in GST Tran-01 as per the above-mentioned sub-rule (1A) are allowed to submit the statement in GST TRAN-2 by 30th April 2019.

{Notification no.48/2018 - Central Tax dated 10.09.2018 read with Order No. 4/2018 - GST dated 17.09.2018}

7. Explanation To Expand The Scope Of Government Entity To Exempt Long-term Leases:

Entry 41 of Notification 12/2017-CT(R) exempts the GST payable on upfront amount payable in respect of long-term lease of thirty years, or more of industrial plots or plots for development of infrastructure by the State Government Industrial Development Corporations or Undertakings or by any other entity having 50 per cent. or more ownership of Central Government, State Government, Union territory to the industrial units or the developers in any industrial or financial business area.

Now an explanation inserted to clarify that Central Government, State Government or Union territory shall be said to have 50 per cent. or more ownership in the entity directly or through an entity which is wholly owned by the Central Government, State Government or Union territory

{Notification 23/2018-CT(R) and Notification 24/2018-IT(R) dated 20.09.2018}

News and Updates



8. Extension Of Due Date For Filing GSTR-1 By Taxpayers Having Turnover Upto 1.5 CR:

In case of registered persons having aggregate turnover of up to 1.5 Crores in the preceding financial year or the current financial year, the due date for filing GSTR-1 has been extended in the following manner.

Quarter	Revised Due Date
July 2017 to September 2018	31-10-2018
October 2018 to December 2018	31-01-2019
January 2019 to March 2019	30-04-2019

The due date for filing the GSTR-1 for the period July 2017 to September 2018 is notified as 15.11.2018 for all the registered persons located in the state of Kerala, having place of business in Kodagu district in the state of Karnataka and Mahe in the Union territory of Puducherry.

{Notification no. 43/2018 - Central Tax dated 10.09.2018}

9. Reconciliation Statement And GST Audit Report In Form GSTR-9C Is Notified:

As per rule 80 of the CGST Rules,2017 every registered person whose aggregate turnover in excess of Rs 2 crores in a financial year shall get the books audited under GST Law. Such persons are required to furnish a reconciliation statement and auditors'

report in form GSTR-9C. The format of the reconciliation statement is notified in the Forms of the CGST Rules, 2017.

{Notifications 49/2018-CT dated 13.09.2018}



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 Bharagy 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.

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