

# FOCAL POINT

Newsletter from Raju and Prasad Chartered Accountants

August 2018

*Dear Reader,*

*The Policy updates and Verdicts of High Courts are enclosed in this newsletter.*

*Attention of readers is invited to the due dates for filing GST returns till March, 2019, Discontinuation of registration of Sub-brokers as intermediary with SEBI, Amendments in Form 3CD, Updation of KYC of directors and decision of the honorable High Court of Gujarat in the case of Babul Products (P.) Ltd.vs. Assistant Commissioner of Income-tax, OSD, Range-1, Ahmedabad*

*Regards*

*For Raju and Prasad*

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## Policy Watch

### Indirect Taxes



#### Special procedure for completing migration of taxpayers who received provisional IDs but could not complete the migration process

Taxpayers migrating to GST from previous tax regime who could not complete the registration process have been provided a procedure by way of a Notification No. 31/2018 – Central Tax so that they can complete the registration process

[http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-31-2018-central\\_tax-English.pdf;jsessionid=524E4E16184123E53904C4DADFB0CF14](http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-31-2018-central_tax-English.pdf;jsessionid=524E4E16184123E53904C4DADFB0CF14)

#### Deferment of RCM on procurements made from unregistered person extended till September 30, 2019

The Central Board of Indirect Taxes and Customs Vide Notification No 22/2018 – Central Tax (Rate) dated 06th August, 2018 has deferred the payment of Goods and Services tax under Reverse Charge Mechanism (RCM) on purchases of taxable supplies from unregistered supplier till **30th day of**



**September 2019.** A similar notification was issued under IGST Act vide Notification No 23/2018 – Integrated Tax (Rate) dated 06th August 2018 and under the UTGST Act vide Notification No 22/2018 – Union Territory Tax (Rate) dated 06th August, 2018.

<http://cbic.gov.in/resources//htdocs-cbec/gst/notfcfn-22-2018-cgst-rate-english.pdf;jsessionid=52DB51FD2EF980A3BC E48997CD639EDE>

#### Notification of due dates for filing GST returns

The Central Board of Indirect Taxes and Customs Vide Notification No 32/2018, 33/2018, 34/2018– Central Tax dated 10/08/2018 has notified the due dates for filing returns which are as follows –

Form	Period	Due date for GSTR 6
GSTR 6 by Input Service Distributor	July,2017 to August,2018	30th Sep,2018

Form	Periodicity	Due date for GSTR 1	Due date for GSTR 3B
GSTR 1 & GSTR-3B by the taxpayers with annual aggregate turnover of more than Rs. 1.5 Crore	Monthly	11 <sup>th</sup> of succeeding month	20 <sup>th</sup> of succeeding month

Form	Periodicity	Quarter	Due date for GSTR 1	Due date for GSTR 3B
GSTR 1 & GSTR-3B by the taxpayers with annual aggregate turnover upto Rs. 1.5 Crore	Quarterly	July-Sep, 2018	31 <sup>st</sup> Oct, 18	20 <sup>th</sup> of succeeding month
		Oct-Dec, 2018	31 <sup>st</sup> Jan, 19	
		Jan-Mar, 2018	31 <sup>st</sup> April, 19	

- [http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-34-2018-central\\_tax-English.pdf;jsessionid=051FBFC1445E7615A985D75E92FA95A1](http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-34-2018-central_tax-English.pdf;jsessionid=051FBFC1445E7615A985D75E92FA95A1)
- [http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-33-2018-central\\_tax-English.pdf;jsessionid=3644A4A13C646278BBC4A43AD6200F95](http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-33-2018-central_tax-English.pdf;jsessionid=3644A4A13C646278BBC4A43AD6200F95)
- [http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-32-2018-central\\_tax-English.pdf](http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-32-2018-central_tax-English.pdf)
- [http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-30-2018-central\\_tax-English.pdf;jsessionid=82A3C3EBF60704CB941400CB00D24B83](http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-30-2018-central_tax-English.pdf;jsessionid=82A3C3EBF60704CB941400CB00D24B83)

**Clarification regarding the applicability of GST on petroleum gases retained for the manufacture of petrochemical and chemical products** - The Central Board of Indirect Taxes and

Customs Vide Circular No. 53/27/2018-GST dated 09/08/2018 has clarified that:- In cases where petroleum gases are supplied by oil refineries to manufacturers on a continuous basis through dedicated pipelines, GST will be payable by the refinery only

on the value of net quantity of petroleum gases retained for the manufacture of petrochemical and chemical products.

[http://cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_No.53.pdf;jsessionid=81D25C06EB434D0644666B9EEDF49940](http://cbic.gov.in/resources//htdocs-cbec/gst/Circular_No.53.pdf;jsessionid=81D25C06EB434D0644666B9EEDF49940)

## Customs

### Levy of Anti-Dumping Duty on import of Methylene Chloride

Central Board of Indirect taxes and Customs issued Notification No. 38/2018-Customs (ADD) which states that "Levy of Anti-dumping duty on the import of Methylene Chloride from European Union or USA extended till 20-10-2019."

<http://cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfn-2018/cs-add2018/csadd38-2018.pdf;jsessionid=2BF60E6E6372004A1A8F177D2A882DA0>

## SEBI



### Discontinuation of registration of Sub-brokers as intermediary with SEBI

SEBI Board in its meeting held on 21-06-2018 decided to discontinue the registration of sub-brokers with SEBI. Consequently, SEBI vide its Circular No.

SEBI/HO/MIRSD/DoP/CIR/P/2018/117 has decided the following:

- No fresh registration shall be granted to any person as Sub-Broker. Any pending applications for registration, shall be returned to the concerned Stock Exchanges for onward transmission to the applicant.
- The registered Sub-Brokers shall have time till March 31, 2019 in order to migrate to act as an AP and / or Trading Member. The Sub-Brokers, who do not choose to migrate into AP and /or TM, shall deemed to have surrendered their registration with SEBI as Sub-Broker.
- The procedure for migration has been detailed in the circular.

[https://www.sebi.gov.in/legal/circulars/aug-2018/role-of-sub-broker-sb-vis-a-vis-authorized-person-ap-\\_39825.html](https://www.sebi.gov.in/legal/circulars/aug-2018/role-of-sub-broker-sb-vis-a-vis-authorized-person-ap-_39825.html)

## Direct Tax

### Amendments & Insertions made in Form 3CD

The Central Board of Direct Taxes Vide Notification No. 33/2018. Income Tax 8th Amendment) Rules has made substantial changes in Form 3CD

whereby reporting requirements relating to GST, Cash Transactions, Transfer Pricing, etc. have been prescribed, applicable w.e.f. 20 Aug. 2018.

<https://www.incometaxindia.gov.in/news/notification-33-2018.pdf>

### Extension of due date for filing Income Tax Return for AY 18-19

The Central Board of Direct Taxes Vide Order F.No 225/242/2018/ITA.II dated 26/07/2018 has extended the due date for filing Income Tax Return from 31-07-2018 to 31-08-2018.

<https://www.incometaxindia.gov.in/news/order-section-119-income-tax-act-1961-extending-due-date-filing-returns-ay-2018-19-26-7-2018.pdf>



## Company Law

### Updation of KYC of Directors

The Ministry of Corporate affairs vide Companies (Appointment and Qualification of Directors) dated 05/07/2018 has notified format of E-form DIR-3 KYC under new Rule 12A , which states as follows:

- “Every individual who has been allotted a Director Identification

Number (DIN) as on 31st March of a financial year as per these rules shall, submit e-form DIR-3-KYC to the Central Government on or before 30th April of immediate next financial year.”

- Provided that every individual who has already been allotted a Director Identification Number (DIN) as at 31st March, 2018, shall submit e-form DIR-3 KYC on or before 31st August, 2018”
- Late fees for delay in filing DIR-3 is Rs.5000/- (applicable if filed after 31-08-2018)

[http://www.mca.gov.in/Ministry/pdf/CompaniesAppointmentQualificationRules\\_06072018.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesAppointmentQualificationRules_06072018.pdf)



## RBI Updates

### Monetary Policy - Changes in various rates:

Particulars	Rate
Repo rate	6.5% w.e.f 01.08.2018
Reverse Repo rate	6.25% w.e.f 01.08.2018

Marginal Standing Facility rate	6.75% w.e.f 01.08.2018
Bank rate	6.75% w.e.f 01.08.2018

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11354&Mode=0>

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11351&Mode=0>

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11352&Mode=0>

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11353&Mode=0>

## Verdicts

Direct  
Tax

### Direct Tax

**Assessee can claim depreciation on the assets if he could not run the factory on account of stay from the Court and**

**If the assessee had not written of its liability in books of account, said liability could not be ceased under section 41(1)**

- Vide Decision of High Court of Gujarat in Babul Products (P.) Ltd. vs. Assistant Commissioner of Income-tax, OSD, Range-1, Ahmedabad



The Honorable High Court of Gujarat in the above case has held that if the assessee has closed the business due to a stay order received from the court, he shall be entitled to claim depreciation under section 32. Further, if the assessee has not written off a liability in the books of accounts, it cannot be brought to tax under section 41(1).

<https://www.taxmann.com/filecontent.aspx?Page=CASELAWS&id=101010000000182496&isxml=Y&search=&tophead=true&tophead=true>

**For issuing a consolidation order for consolidation of appeals pending for a long time, Revenue shall move a comprehensive application before the ITAT, serving a copy in advance to the assessee**

- Vide decision of High Court of Delhi in BPTP Ltd. vs. Principal Commissioner of Income Tax





The Honorable High Court of Gujarat in the above case has held that if the revenue were to issue consolidation order to the assessee, it can do so only after making an application to the ITAT (Income Tax Appellate Tribunal) supported by a proper reason and should also serve a notice in advance to the assessee.

<https://www.taxmann.com/filecontent.aspx?Page=CASELAWS&id=101010000000182492&isxml=Y&search=&tophead=true&tophead=true>

**Assesseees were permitted to file their returns without any insistence of linkage of their Aadhaar with their PAN numbers in view of extension of deadline for PAN-Aadhaar linkage till 31-03-2019**

- Vide decision of High Court of Delhi in Shreyasen vs Union Of India.

The Honorable High Court of Delhi in the above case has held that the assesseees can file their Income Tax Returns for the relevant year without having to link their Aadhaar number with PAN.

<https://www.taxmann.com/filecontent.aspx?Page=CASELAWS&id=101010000000182571&isxml=Y&search=&tophead=true&tophead=true>

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