

## GOODS & SERVICES TAX (GST)



## OTHER INDIRECT TAXES (including legacy issues)



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## GOODS & SERVICES TAX (GST)

### NOTIFICATIONS AND CIRCULARS

- **Notification No. 57/2018-Central Tax dated 23.10.2018 seeks to exempt post audit authorities under MoD from TDS compliance.**

Central Government, hereby makes the following further amendment in the notification no. 50/2018- Central Tax dated the 13<sup>th</sup> September, 2018 (relating to TDS implementation) that nothing in the said notification shall apply to the authorities under the Ministry of Defence, other than the authorities specified in the Annexure-A and their offices, with effect from the 1st day of October, 2018.

Following is the Link for the list of authorities specified in the Annexure- A.

<http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-57-central-tax-english-2018.pdf;jsessionid=F7C1EB391C1B3BC1D42777FA8C7FC884>

- **Notification No. 58/2018-Central Tax dated 26.10.2018 seeks to provide taxpayers whose registration has been cancelled, time to furnish final return in FORM GSTR-10.**

The persons whose registration under the said Act has been cancelled by the proper officer on or before the 30th September, 2018, as the class of persons who shall furnish the final return in FORM GSTR-10 of the said rules till the 31st December, 2018.

- **Notification No. 59/2018-Central Tax dated 26.10.2018 seeks to extend the time limit for furnishing the declaration in FORM GST ITC-04 for the period from July, 2017 to September, 2018.**  
Time limit for furnishing the declaration in FORM GST ITC-04 of the said rules, in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another, during the period from July, 2017 to June, 2018 is further extended from 30<sup>th</sup> September, 2018 to 31<sup>st</sup> December, 2018. The last date of furnishing the declaration in FORM GST ITC-04 for the period July, 2018 to September, 2018 is also 31<sup>st</sup> December, 2018.
- **Notification No. 61/2018-Central Tax dated 05.11.2018 seeks to exempt supply from PSU to PSU from applicability of provisions relating to TDS.**  
Central Government, hereby makes the following further amendment in the notification no. 50/2018- Central Tax dated the 13<sup>th</sup> September, 2018 that nothing in the said notification shall apply to the supply of goods or services or both from a public sector undertaking to another public sector undertaking, whether or not a distinct person, with effect from the 1st day of October, 2018.
- **Circular No. 74/48/2018-GST dated 05.11.2018 was issued by CBIC giving clarifications on collection of tax at source by Tea Board of India:**
  - I. Tea Board of India (hereinafter referred to as the, "Tea Board"), being the **operator of the electronic auction system** for trading of tea across the country including for collection and settlement of payments, admittedly falls under the category of **electronic commerce operator** liable to collect Tax at Source in accordance with the provisions of section 52 of the CGST Act, 2017.
  - II. It has been represented that the buyers in the said auction make payment of a consolidated amount to an escrow Account maintained by the Tea Board. The said consolidated amount is towards the value of the tea, the selling and buying brokerages

charged by the auctioneers and also the amount charged by the Tea Board from sellers, auctioneers and buyers. Thereafter, Tea Board pays to the sellers (i.e. tea producers), from the said escrow account, for the supply of goods made by them (i.e. tea) and to the auctioneers for the supply of services made by them (i.e. brokerage).

III. For the purpose of uniformity in the implementation of the Act, it is hereby clarified, that TCS at the notified rate, in terms of section 52 of the CGST Act, shall be collected by Tea Board respectively from the –

- (i) Sellers (i.e. tea producers) on the net value of supply of goods i.e. tea; and
- (ii) Auctioneers on the net value of supply of services (i.e. brokerage)

- **Circular No. 72/46/2018-GST dated 26.10.2018 was issued by CBIC giving clarifications to clarify the procedure in respect of return of time expired drugs or medicines.**

I. The common trade practice in the pharmaceutical sector is that the drugs or medicines (hereinafter referred to as “goods”) are sold by the manufacturer to the wholesaler and by the wholesaler to the retailer on the basis of an invoice/bill of supply as case may be. It is significant to mention here that such goods have a defined life term which is normally referred to as the date of expiry. Such goods which have crossed their date of expiry are colloquially referred to as time expired goods and are returned back to the manufacturer, on account of expiry, through the supply chain.

II. It is clarified that the retailer/ wholesaler can follow either of the below mentioned procedures for the return of the time expired goods:

**(A) Return of time expired goods to be treated as fresh supply:**

- a) In case the person returning the time expired goods is a registered person (other than a composition taxpayer):- He may, at his option, return the said goods by treating it as a fresh supply and thereby issuing an invoice for the same (hereinafter referred to as the, “return supply”). The value of the said goods as shown in the invoice on the basis of which the goods were supplied earlier may be taken as the value of such return supply. The wholesaler or manufacturer, as the case may be, who is the recipient of such return supply, shall be eligible to avail Input Tax Credit of the tax levied on the said return supply subject to the fulfilment of the conditions specified in Section 16 of the CGST Act.
- b) In case the person returning the time expired goods is a composition taxpayer: - He may return the said goods by issuing a bill of supply and pay tax at the rate applicable to a composition taxpayer. In this scenario there will not be any availability of ITC to the recipient of return supply.
- c) In case the person returning the time expired goods is an unregistered person: - He may return the said goods by issuing any commercial document without charging any tax on the same.
- d) Where the time expired goods which have been returned by the retailer/wholesaler are destroyed by the manufacturer, he/she is required to reverse

the ITC availed on the return. It is pertinent to mention here that the ITC which is required to be reversed in such scenario is the ITC availed on the return supply and not the ITC that is attributable to the manufacture of such time expired goods.

**(B) Return of time expired goods by issuing Credit Note:**

a) The supplier can issue a credit note where the goods are returned back by the recipient. Thus, the manufacturer or the wholesaler who has supplied the goods to the wholesaler or retailer, as the case may be, has the option to issue a credit note in relation to the time expired goods returned by the wholesaler or retailer, as the case may be. In such a scenario, the retailer or wholesaler may return the time expired goods by issuing a delivery challan.

- **Circular No. 71/45/2018-GST dated 26.10.2018 issued by CBIC giving clarification on issue under GST related to casual taxable person.**

**Issue**

Whether the amount required to be deposited as advance tax while taking registration as a casual taxable person (CTP) should be 100% of the estimated gross tax liability or the estimated tax liability payable in cash should be calculated after deducting the due eligible ITC which might be available to CTP?

**Clarification**

It has been noted that while applying for registration as a casual taxable person, seeks information regarding the “estimated net tax liability” only and not the gross tax liability. It is accordingly clarified that the amount of advance tax which a casual taxable person is required to deposit while obtaining registration

should be calculated after considering the due eligible ITC which might be available to such taxable person.

- **EXCISE LAW**

- **Notification No. 21/2018-Central Excise dated 04.10.2018 seeks to amend Notification No. 11/2017-Central Excise dated 30th June,2017 in order to reduce Central Excise duty rates on motor spirit (petrol) and High-speed diesel.**

- a) Motor spirit commonly known as petrol
  - (i) Intended for sale without a brand name: - rates reduced from Rs. 8.48 per litre to Rs. 2.98 per litre.
  - (ii) Other than those specified at (i):- rates reduced from Rs. 9.66 per litre to Rs. 4.16 per litre.
- b) High speed diesel (HSD)
  - (i) Intended for sale without a brand name: - rates reduced from Rs. 10.33 per litre to Rs. 4.83 per litre.
  - (ii) Other than those specified at (i):- rates reduced from Rs. 12.69 per litre to Rs. 7.19 per litre.

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