



# NEWSLETTER

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Chartered Accountants

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**01. INCOME TAX & INTERNATIONAL TAX**  
*(Page 2- 3)*

**02. GOODS AND SERVICE TAX (GST)**  
*(Page 4- 17)*



## INCOME TAX & INTERNATIONAL TAX

### Tax on certain dividend received from Foreign Companies:

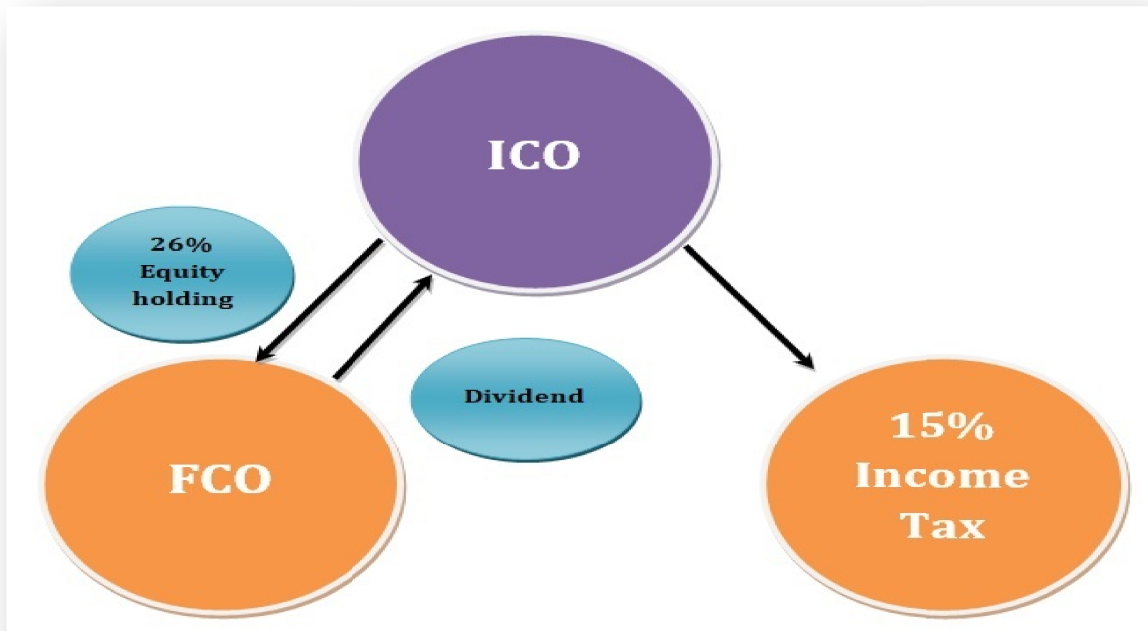
#### Consider the following case:

- An Indian Company ICO has made equity investment in an overseas foreign Company ("Specified FCO") under the Overseas Direct Investment (ODI) route;
- The specified FCO has during a financial year declared, distributed or paid dividend to the ICO;

#### Taxability:

- The dividend so received by the ICO will be subject to Income Tax at 15% only.
- "Specified FCO" means a foreign Company in which the ICO holds 26% or more in nominal value of equity share capital of the Company.

## INCOME TAX & INTERNATIONAL TAX(cont.)



If the dividend so received by the ICO from the specified FCO is further declared, distributed or paid by the ICO **in the same financial year**, no further Dividend Distribution Tax under section 115-O will be payable by the ICO provided:

1. Tax @ 15% has already been paid under Section 115BBD and;
2. The ICO holds **more than 50%** in the nominal value of the equity share capital of the Foreign Company.

For the purpose of this chapter Dividend does not include deemed dividend under section 2(22)(e) of The Income Tax Act.

*Compiled by: Malay Damania, Partner*





## GOODS & SERVICE TAX (GST)

### E-way Bills

Government of India have issued Notification dated 30<sup>th</sup> August 2017, notifying rules in respect of E-way Bills.

These rules shall come into force on the date to be notified by the Central Government in the Official Gazette.

#### **Meaning and Object:**

Under the relevant law of E-way Bills, any registered person, causing movement of goods (of consignment value exceeding Rs. 50, 000/-), is mandatorily required to initiate electronic generation of e-way bill (electronic way bill) as per procedure prescribed.

The object of mandatory e-way bills procedure is to track the movement of goods with an ultimate object to ensure collection of GST as applicable.



# GOODS & SERVICE TAX (GST)(*cont.*)

## Main features:

1) E-way bill is required in case of:

- a) movement of goods either in relation to supply or for reasons other than supply or
- b) due to inward supply from an unregistered person

Whenever consignment value of said goods exceeds Rs.50,000/-

2) E-way bill is not required to be generated:

- a) *Where the goods being transported are specified in Annexure appended here under:*

### ANNEXURE

[(See rule 138 (14)]

S. No.	Chapter or Heading or Sub-heading or Tariff item	Description of Goods
(1)	(2)	(3)
1.	0101	Live asses, mules and hinnies
2.	0102	Live bovine animals
3.	0103	Live swine
4.	0104	Live sheep and goats
5.	0105	Live poultry, that is to say, fowls of the species Gallus domesticus, ducks, geese, turkeys and guinea fowls.
6.	0106	Other live animal such as Mammals, Birds, Insects
7.	0201	Meat of bovine animals, fresh and chilled.
8.	0202	Meat of bovine animals frozen [other than frozen and put up in unit container]
9.	0203	Meat of swine, fresh, chilled or frozen [other than frozen and put up in unit container]
10.	0204	Meat of sheep or goats, fresh, chilled or frozen [other than frozen and put up in unit container]
11.	0205	Meat of horses, asses, mules or hinnies, fresh, chilled or frozen [other than frozen and put up in unit container]
12.	0206	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen [other than frozen and put up in unit container]
13.	0207	Meat and edible offal, of the poultry of heading 0105, fresh, chilled or frozen [other than frozen and put up in unit container]

## GOODS & SERVICE TAX (GST)(*cont.*)

S. No.	Chapter or Heading or Sub-heading or Tariff item	Description of Goods
(1)	(2)	(3)
14.	0208	Other meat and edible meat offal, fresh, chilled or frozen [other than frozen and put up in unit container]
15.	0209	Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled or frozen [other than frozen and put up in unit container]
16.	0209	Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, salted, in brine, dried or smoked [other than put up in unit containers]
17.	0210	Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal, other than put up in unit containers
18.	3	Fish seeds, prawn / shrimp seeds whether or not processed, cured or in frozen state [other than goods falling under Chapter 3 and attracting 2.5%]
19.	0301	Live fish.
20.	0302	Fish, fresh or chilled, excluding fish fillets and other fish meat of heading 0304
21.	0304	Fish fillets and other fish meat (whether or not minced), fresh or chilled.
22.	0306	Crustaceans, whether in shell or not, live, fresh or chilled; crustaceans, in shell, cooked by steaming or by boiling in water live, fresh or chilled.
23.	0307	Molluscs, whether in shell or not, live, fresh, chilled; aquatic invertebrates other than crustaceans and molluscs, live, fresh or chilled.
24.	0308	Aquatic invertebrates other than crustaceans and molluscs, live, fresh or chilled.
25.	0401	Fresh milk and pasteurised milk, including separated milk, milk and cream, not concentrated nor containing added sugar or other sweetening matter, excluding Ultra High Temperature (UHT) milk
26.	0403	Curd; Lassi; Butter milk
27.	0406	Chena or paneer, other than put up in unit containers and bearing a registered brand name;
28.	0407	Birds' eggs, in shell, fresh, preserved or cooked
29.	0409	Natural honey, other than put up in unit container and bearing a registered brand name
30.	0501	Human hair, unworked, whether or not washed or scoured; waste of human hair
31.	0506	All goods i.e. Bones and horn-cores, unworked, defatted, simply prepared (but not cut to shape), treated with acid or gelatinised; powder and waste of these products
32.	0507 90	All goods i.e. Hoof meal; horn meal; hooves, claws, nails and beaks; antlers; etc.
33.	0511	Semen including frozen semen



## GOODS & SERVICE TAX (GST)(*cont.*)

S. No.	Chapter or Heading or Sub-heading or Tariff item	Description of Goods
(1)	(2)	(3)
34.	6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
35.	0701	Potatoes, fresh or chilled.
36.	0702	Tomatoes, fresh or chilled.
37.	0703	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled.
38.	0704	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled.
39.	0705	Lettuce ( <i>Lactuca sativa</i> ) and chicory ( <i>Cichorium spp.</i> ), fresh or chilled.
40.	0706	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled.
41.	0707	Cucumbers and gherkins, fresh or chilled.
42.	0708	Leguminous vegetables, shelled or unshelled, fresh or chilled.
43.	0709	Other vegetables, fresh or chilled.
44.	0712	Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared.
45.	0713	Dried leguminous vegetables, shelled, whether or not skinned or split.
46.	0714	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh or chilled; sago pith.
47.	0801	Coconuts, fresh or dried, whether or not shelled or peeled
48.	0801	Brazil nuts, fresh, whether or not shelled or peeled
49.	0802	Other nuts, Other nuts, fresh such as Almonds, Hazelnuts or filberts ( <i>Corylus spp.</i> ), walnuts, Chestnuts ( <i>Castanea spp.</i> ), Pistachios, Macadamia nuts, Kola nuts ( <i>Cola spp.</i> ), Areca nuts, fresh, whether or not shelled or peeled
50.	0803	Bananas, including plantains, fresh or dried
51.	0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh.
52.	0805	Citrus fruit, such as Oranges, Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids, Grapefruit, including pomelos, Lemons ( <i>Citrus limon</i> , <i>Citrus limonum</i> ) and limes ( <i>Citrus aurantifolia</i> , <i>Citrus latifolia</i> ), fresh.
53.	0806	Grapes, fresh
54.	0807	Melons (including watermelons) and papaws (papayas), fresh.
55.	0808	Apples, pears and quinces, fresh.
56.	0809	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh.
57.	0810	Other fruit such as strawberries, raspberries, blackberries, mulberries and loganberries, black, white or red currants and gooseberries, cranberries, bilberries and other fruits of the genus <i>vaccinium</i> , Kiwi fruit, Durians, Persimmons, Pomegranates, Tamarind, Sapota (chico), Custard-apple (ata), Bore, Lichi, fresh.

## GOODS & SERVICE TAX (GST)(*cont.*)

S. No.	Chapter or Heading or Sub-heading or Tariff item	Description of Goods
(1)	(2)	(3)
58.	0814	Peel of citrus fruit or melons (including watermelons), fresh.
59.	9	All goods of seed quality
60.	0901	Coffee beans, not roasted
61.	0902	Unprocessed green leaves of tea
62.	0909	Seeds of anise, badian, fennel, coriander, cumin or caraway; juniper berries [of seed quality]
63.	0910 11 10	Fresh ginger, other than in processed form
64.	0910 30 10	Fresh turmeric, other than in processed form
65.	1001	Wheat and meslin [other than those put up in unit container and bearing a registered brand name]
66.	1002	Rye [other than those put up in unit container and bearing a registered brand name]
67.	1003	Barley [other than those put up in unit container and bearing a registered brand name]
68.	1004	Oats [other than those put up in unit container and bearing a registered brand name]
69.	1005	Maize (corn) [other than those put up in unit container and bearing a registered brand name]
70.	1006	Rice [other than those put up in unit container and bearing a registered brand name]
71.	1007	Grain sorghum [other than those put up in unit container and bearing a registered brand name]
72.	1008	Buckwheat, millet and canary seed; other cereals such as Jawar, Bajra, Ragi [other than those put up in unit container and bearing a registered brand name]
73.	1101	Wheat or meslin flour [other than those put up in unit container and bearing a registered brand name].
74.	1102	Cereal flours other than of wheat or meslin, [maize (corn) flour, Rye flour, etc.] [other than those put up in unit container and bearing a registered brand name]
75.	1103	Cereal groats, meal and pellets [other than those put up in unit container and bearing a registered brand name]
76.	1104	Cereal grains hulled
77.	1105	Flour, of potatoes [other than those put up in unit container and bearing a registered brand name]
78.	1106	Flour, of the dried leguminous vegetables of heading 0713 (pulses) [other than guar meal 1106 10 10 and guar gum refined split 1106 10 90], of sago or of roots or tubers of heading 0714 or of the products of Chapter 8 i.e. of tamarind, of singoda, mango flour, etc. [other than those put up in unit container and bearing a registered brand name]
79.	12	All goods of seed quality
80.	1201	Soya beans, whether or not broken, of seed quality.
81.	1202	Ground-nuts, not roasted or otherwise cooked, whether or not shelled



## GOODS & SERVICE TAX (GST)(*cont.*)

S. No.	Chapter or Heading or Sub-heading or Tariff item	Description of Goods
(1)	(2)	(3)
		or broken, of seed quality.
82.	1204	Linseed, whether or not broken, of seed quality.
83.	1205	Rape or colza seeds, whether or not broken, of seed quality.
84.	1206	Sunflower seeds, whether or not broken, of seed quality.
85.	1207	Other oil seeds and oleaginous fruits (i.e. Palm nuts and kernels, cotton seeds, Castor oil seeds, Sesamum seeds, Mustard seeds, Safflower (Carthamustinctorius) seeds, Melon seeds, Poppy seeds, Ajams, Mango kernel, Niger seed, Kokam) whether or not broken, of seed quality.
86.	1209	Seeds, fruit and spores, of a kind used for sowing.
87.	1210	Hop cones, fresh.
88.	1211	Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purpose, fresh or chilled.
89.	1212	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh or chilled.
90.	1213	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form of pellets
91.	1214	Swedes, mangolds, fodder roots, hay, lucerne (alfalfa), clover, sainfoin, forage kale, lupines, vetches and similar forage products, whether or not in the form of pellets.
92.	1301	Lac and Shellac
93.	1404 90 40	Betel leaves
94.	1701 or 1702	Jaggery of all types including Cane Jaggery (gur) and Palmyra Jaggery
95.	1904	Puffed rice, commonly known as Muri, flattened or beaten rice, commonly known as Chira, parched rice, commonly known as khoi, parched paddy or rice coated with sugar or gur, commonly known as Murki
96.	1905	Pappad
97.	1905	Bread (branded or otherwise), except pizza bread
98.	2201	Water [other than aerated, mineral, purified, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container]
99.	2201	Non-alcoholic Toddy, Neera including date and palm neera
100.	2202 90 90	Tender coconut water other than put up in unit container and bearing a registered brand name
101.	2302, 2304, 2305, 2306, 2308, 2309	Aquatic feed including shrimp feed and prawn feed, poultry feed and cattle feed, including grass, hay and straw, supplement and husk of pulses, concentrates and additives, wheat bran and de-oiled cake
102.	2501	Salt, all types
103.	2835	Dicalcium phosphate (DCP) of animal feed grade conforming to IS specification No.5470 : 2002
104.	3002	Human Blood and its components
105.	3006	All types of contraceptives

## GOODS & SERVICE TAX (GST)(*cont.*)

S. No.	Chapter or Heading or Sub-heading or Tariff item	Description of Goods
(1)	(2)	(3)
106.	3101	All goods and organic manure [other than put up in unit containers and bearing a registered brand name]
107.	3304	Kajal [other than kajal pencil sticks], Kumkum, Bindi, Sindur, Alta
108.	3825	Municipal waste, sewage sludge, clinical waste
109.	3926	Plastic bangles
110.	4014	Condoms and contraceptives
111.	4401	Firewood or fuel wood
112.	4402	Wood charcoal (including shell or nut charcoal), whether or not agglomerated
113.	4802 / 4907	Judicial, Non-judicial stamp papers, Court fee stamps when sold by the Government Treasuries or Vendors authorised by the Government
114.	4817 / 4907	Postal items, like envelope, Post card etc., sold by Government
115.	48 / 4907	Rupee notes when sold to the Reserve Bank of India
116.	4907	Cheques, loose or in book form
117.	4901	Printed books, including Braille books
118.	4902	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material
119.	4903	Children's picture, drawing or colouring books
120.	4905	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed
121.	5001	Silkworm laying, cocoon
122.	5002	Raw silk
123.	5003	Silk waste
124.	5101	Wool, not carded or combed
125.	5102	Fine or coarse animal hair, not carded or combed
126.	5103	Waste of wool or of fine or coarse animal hair
127.	52	Gandhi Topi
128.	52	Khadi yarn
129.	5303	Jute fibres, raw or processed but not spun
130.	5305	Coconut, coir fibre
131.	63	Indian National Flag
132.	6703	Human hair, dressed, thinned, bleached or otherwise worked
133.	6912 00 40	Earthen pot and clay lamps
134.	7018	Glass bangles (except those made from precious metals)
135.	8201	Agricultural implements manually operated or animal driven i.e. Hand tools, such as spades, shovels, mattocks, picks, hoes, forks and rakes; axes, bill hooks and similar hewing tools; secateurs and pruners of any kind; scythes, sickles, hay knives, hedge shears, timber wedges and other tools of a kind used in agriculture, horticulture or forestry.
136.	8445	Amber charkha
137.	8446	Handloom [weaving machinery]
138.	8802 60 00	Spacecraft (including satellites) and suborbital and spacecraft launch vehicles



## GOODS & SERVICE TAX (GST)(*cont.*)

S. No.	Chapter or Heading or Sub-heading or Tariff item	Description of Goods
(1)	(2)	(3)
139.	8803	Parts of goods of heading 8801
140.	9021	Hearing aids
141.	92	Indigenous handmade musical instruments
142.	9603	Muddhas made of sarkanda and phool bahari jhadoo
143.	9609	Slate pencils and chalk sticks
144.	9610 00 00	Slates
145.	9803	Passenger baggage
146.	Any chapter	<p>Puja samagri namely,-</p> <p>(i) Rudraksha, rudraksha mala, tulsikanthi mala, panchgavya (mixture of cowdung, desi ghee, milk and curd);</p> <p>(ii) Sacred thread (commonly known as yagnopavit);</p> <p>(iii) Wooden khadau;</p> <p>(iv) Panchamrit,</p> <p>(v) Vibhuti sold by religious institutions,</p> <p>(vi) Unbranded honey</p> <p>(vii) Wick for diya.</p> <p>(viii) Roli</p> <p>(ix) Kalava (Raksha sutra)</p> <p>(x) Chandantika</p>
147.		Liquefied petroleum gas for supply to household and non domestic exempted category (NDEC) customers
148.		Kerosene oil sold under PDS
149.		Postal baggage transported by Department of Posts
150.		Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)
151.		Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71)
152.		Currency
153.		Used personal and household effects
154.		Coral, unworked (0508) and worked coral (9601);

## GOODS & SERVICE TAX (GST)(cont.)

- b) *Where the goods are being transported by a non-motorised conveyance; (For example: bicycle, animal or human drawn carts, hand carts.)*
  - c) *Where the goods are being transported from the port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs; and*
  - d) *In respect of movement of goods within such areas as are notified under clause (d) of sub-rule (14) of rule 138 of the Goods and Service Tax Rules of the concerned State.*
- 3) *Explanation: The facility of generation and cancellation of e-way bill may also be made available through SMS.*
- 4) E-way bill is required where the movement of goods is by consignor's own conveyance or a hired one or by railways or by air or by vessel.


### **Procedure in brief:**

#### 1) Steps:

##### i) Furnish information in Part A of Form GST-EWB-01,

 If movement by road: information to be furnished by:

- Consignor if registered person (RP)
- Consignee if inward supply by unregistered person (URP)
- URP or transporter at their option if movement by URP

 If movement by rail, air or vessel: information to be furnished by consignor or consignee.

##### ii) Generation of e-way bill, to be generated after furnishing information in part B of Form GST-EWB-01, by:

 RP – if goods transported by RP as consignor or consignee

 Transporter-if e-way bill not generated by consignor or consignee

 URP or transporter at their option if movement by URP



## GOODS & SERVICE TAX (GST)(*cont.*)

- 2) Upon generation of e-way bill, a unique e-way bill number (EBN) shall be made available to supplier, recipient and the transporter on the common portal.
- 3) In case of a transporter intending to transport multiple consignments in one conveyance, he may generate through the common portal, a consolidated e-way bill in Form GST EWB-02.
- 4) Transporter transferring goods from one conveyance to another in the course of transit, is required to update the details of new conveyance in e-way bill, before such transfer (except when such further distance is less than 10 kilometers).
- 5) Where the movement is caused by an unregistered person either in his own conveyance or a hired one or through a transporter, he or the transporter may generate e-way bill.
- 6) E-way bill\consolidated e-way bill shall be valid as under:

***Table***

<b><i>Sr. No.</i></b>	<b><i>Distance</i></b>	<b><i>Validity period</i></b>
<b><i>(1)</i></b>	<b><i>(2)</i></b>	<b><i>(3)</i></b>
1.	<i>Upto 100 Km</i>	One day
2.	<i>For every 100 km or part thereof thereafter</i>	One additional day

*(Day to be counted on 24 hours basis)*

Where under circumstances of an exceptional nature, goods cannot be transported within the validity period, transporter may generate another e-way bill after updating Part-B.

- 7) In case of transportation to a registered person, such recipient shall be informed on common portal details of e-way bill and he shall communicate his acceptance or rejection of the consignment covered by the e-way bill. In case of his failure to communicate acceptance or rejection within seventy two hours, it shall be deemed that he has accepted the details.

## GOODS & SERVICE TAX (GST)(*cont.*)

- 8) E-way bill generated under the rule of any state, shall be valid in every state and union territory.
- 9) Person in charge of conveyance shall carry
- a) Invoice or Bill of Supply or delivery chalan, as the case may be.
  - b) Copy of e-way bill or e-way bill number (physically or mapped to a Radio Frequency Identification Device, as may be notified).
- 10) An authorised officer may intercept any conveyance to verify e-way bills of interstate or intrastate movement of goods.

Such officer has to give report of inspection online within prescribed time, in Form GST-EWB-03.

Where a vehicle has been intercepted and detained for a period exceeding thirty minutes, the transporter may upload the said information in Form GST-EWB-04 on the common portal.

Forms GST-EWB-01, 02, 03 and 04 are annexed.

## GOODS & SERVICE TAX (GST)(*cont.*)

### FORM GST EWB-01

(See rule 138)

#### E-Way Bill

<b>PART-A</b>		
A.1	GSTIN of Recipient	
A.2	Place of Delivery	
A.3	Invoice or Challan Number	
A.4	Invoice or Challan Date	
A.5	Value of Goods	
A.6	HSN Code	
A.7	Reason for Transportation	
A.8	Transport Document Number	
<b>PART-B</b>		
B.	Vehicle Number	

#### Notes:

1. HSN Code in column A.6 shall be indicated at minimum two digit level for taxpayers having annual turnover upto five crore rupees in the preceding financial year and at four digit level for taxpayers having annual turnover above five crore rupees in the preceding financial year.
2. Transport Document number indicates Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number.
3. Place of Delivery shall indicate the PIN Code of place of delivery.
4. Reason for Transportation shall be chosen from one of the following:

Code	Description
1	Supply
2	Export or Import
3	Job Work
4	SKD or CKD
5	Recipient not known
6	Line Sales
7	Sales Return
8	Exhibition or fairs
9	For own use
0	Others

### FORM GST EWB-02

(See rule 138)

#### Consolidated E-Way Bill

Number of E-Way Bills	
E-Way Bill Number	



# GOODS & SERVICE TAX (GST)(*cont.*)

## FORM GST EWB-03

(See rule 138C)

### Verification Report

<b>Part A</b>	
Name of the Officer	
Place of inspection	
Time of inspection	
Vehicle Number	
E-Way Bill Number	
Invoice or Challan or Bill Date	
Invoice or Challan or Bill Number	
Name of person in-charge of vehicle	
Description of goods	
Declared quantity of goods	
Declared value of goods	
Brief description of the discrepancy	
Whether goods were detained?	
If not, date and time of release of vehicle	
<b>Part B</b>	
Actual quantity of goods	
Actual value of the Goods	
Tax payable	
Integrated tax	
Central tax	
State or UT tax	
Cess	
Penalty payable	
Integrated tax	
Central tax	
State or UT tax	
Cess	
Details of Notice	
Date	
Number	

Summary of findings	
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## GOODS & SERVICE TAX (GST)(*cont.*)

### **FORM GST EWB-04**

*(See rule 138D)*

#### **Report of detention**

E-Way Bill Number	
Approximate Location of detention	
Period of detention	
Name of Officer in-charge	(if known)
Date	
Time	

*Compiled by: Rajeev Varaiya, Partner*