

Trust yourself, you know  
more than you think you do.  
~ Benjamin Spock

# *Connection*

**G S T – P U R C H A S E S F R O M  
U N R E G I S T E R E D P E R S O N U N D E R  
R E V E R S E C H A R G E**

**J U S T T O  
R E M I N D  
Y O U**

- Jun 15 - E- Payment of PF for May
- Jun 15 - Payment of Advance Income Tax
- Jun 21 - Payment & Return of MVAT for May
- Jun 30 - Payment of Maharashtra PT
- Jun 30 - Statement of Financial Transactions

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**Meaning of Reverse Charge[Section 2(98)]**

“Reverse charge” means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both under Section 9(3) and 9(4) of GST Act or under section 5(3) or 5(4) of the IGST Act .

**Provisions of Reverse Charge in Service tax**

Under the Service Tax Law, tax on Reverse Charge basis is leviable under various services but the concept of Reverse Charge on goods is totally a new concept under the **GST regime**. Sections 9(3) & 9(4) of the GST Act, 2017 deals with the provisions of Reverse Charge

**Provision of Reverse Charge in GST Act[ Section 9(3) of GST Act]**

Government, on recommendation of Council, by notification may specify categories of supply of goods and services or both, tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and provisions of this Act shall apply to such recipient as if he is person liable to pay tax in relation to such supply

**Provision of Reverse Charge in GST Act [Section 9(4) of GST Act]**

Central tax in respect of the supply of taxable goods or

services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.



**Provision of reverse Charge in IGST Act [Section 5(3) of IGST Act]**

In line with the provision of Section 9(3) and 9(4) in GST Act, Similar provision has been incorporated in Section 5(3) and 5(4) of the IGST Act, to levy tax on goods and services under the reverse charge basis on their Inter- state supply of goods or services or both . However Section 24 of the GST Act, provides for mandatory registration in case of interstate supplies. So if an unregistered dealer cannot make interstate supplies then whether a registered person can purchase goods/ services in the course of interstate trade or commerce from unregistered dealer? This is to be seen

**Certain services on reverse charge by GST council meeting**

**on 19.05.2017**

GST Council in its meeting held on 19-05-2017 has approved certain services the tax on which tax shall be paid on reverse charge basis which are mostly the same items as are prevailing in the service tax regime. However the Government is still to come out with list of goods on which tax shall be paid on reverse charge basis.

**Additional Responsibility of Registered person for purchase of goods or services from unregistered person**

Now a registered person purchasing goods/ services from unregistered person has to pay tax on those goods/ services on his behalf on reverse charge basis and all the provisions of the Act will apply to him as he is the person supplying such goods or Services. Now this will lead to an extra blockage of capital and some extra compliance under the Act in this regards. So a registered person who procures any goods/ services from an unregistered dealer will have to pay tax on their receipt and then will have to claim ITC on the same subject to the conditions of the Act. Not only this ,a registered person receiving supply under reverse charge has to issue an invoice and payment voucher as per the requirement of section 31(3)(f) and section 31(3)(g) of GST Act which is reproduced as under .

**Responsibility of Issuing Invoice by registered Person [Section 31(3)(f)]**

A registered person who is liable to pay tax under section 9(3) or 9(4) shall issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both. (**Sample Format of Invoice is given below**)

**Responsibility of Issuing Payment voucher by registered Person**

[Section 31(3)(g)] A registered person who is liable to pay tax under section 9(3) or 9(4) shall issue a payment voucher at the time of making payment to the supplier. (**Sample Format of Payment voucher is given below**)

**Difficulty may arise to small business house**

In normal course of business, we incur many expenses in relation to business or furtherance of business for example printing, stationery, packing, refreshment, traveling, and services like Chartered accountancy fees, legal services which we debit in our profit and loss account. So now a registered person will have to pay GST under reverse charge on all these procurement of goods and services if procured from an unregistered dealer. Suppose if a payment is to be made amounting to Rs. 50,000 to an accountant for preparing of books of accounts, then GST on Rs. 50000/- under reverse charge has to be made, if accountant is not registered under GST Act. So

it will be very difficult for business houses particularly for small business houses who procure these goods/ services from unregistered person to pay tax every time they procure such supplies and will become even more difficult for unregistered dealers to find buyers who will purchase goods from them.



## G S T – T R A N S I T I O N A L P R O V I S I O N S

**1. Tax or duty credit carried forward under any existing law or on goods held in stock on the appointed day**

(1) Every registered person entitled to take credit of input tax under section 140 shall, within ninety days of the appointed day, submit a declaration electronically in **FORM GST TRAN-1**, duly signed, on the Common Portal specifying therein, separately, the amount of input tax credit to which he is entitled under the provisions of the said section:

Provided that the Commissioner may, on the recom-

mendations of the Council, extend the period of ninety days by a further period not exceeding ninety days.

Provided further that where the inputs have been received from an Export Oriented Unit or a unit located in Electronic Hardware Technology Park, the credit shall be allowed to the extent as provided in sub-rule (7) of rule 3 of the CENVAT Credit Rules, 2004:

**[this proviso only in CGST rules]**

**Provided that in the case of a claim under sub-section (1)**

**of section 140, the application shall specify separately—**

**(i) the value of claims under section 3, sub-section (3) of section 5, sections 6 and 6A and sub-section (8) of section 8 of the Central Sales Tax Act, 1956 made by the applicant and**

**(ii) the serial number and value of declarations in Forms C and/or F and Certificates in Forms E and/or H or Form I specified in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 submitted by the applicant in support of the claims referred to in sub-**







*clause (i) above;*

*(this proviso only in SGST rules)*

(2) Every declaration under sub-rule (1) shall:-

(a) in the case of a claim under sub-section (2) of section 140, specify separately the following particulars in respect of every item of capital goods as on the appointed day-

(i) the amount of tax or duty availed or utilized by way of input tax credit under each of the existing laws till the appointed day, and

(ii) the amount of tax or duty yet to be availed or utilized by way of input tax credit under each of the existing laws till the appointed day;

(b) in the case of a claim under sub-section (3) or the proviso thereto or clause (b) of sub-section (4) or sub-section (6) or sub-section (8) of section 140, specify separately the details of stock held on the appointed day;

(c) in the case of a claim under sub-section (5) of section 140, furnish the following details—

(i) the name of the supplier, serial number and date of issue of the invoice by the supplier or any document on the basis of which credit of input tax was admissible under the existing law,

(ii) the description and value of the goods or services,

(iii) the quantity in case of goods and the unit or unit quantity code thereof,

(iv) the amount of eligible taxes and duties or, as the case may be, the value added tax [or entry tax] charged by the supplier in respect of the goods or services, and

(v) the date on which the receipt of goods or services is entered in the books of account of the recipient.

(3) The amount of credit specified in the application in **FORM GST TRAN-1** shall be credited to the electronic credit ledger of the applicant maintained in **FORM GST PMT-2** on the Common Portal.

(4) (a) (i) A registered person who was not registered under the existing law shall, in accordance with the proviso to sub-section (3) of section 140, be allowed to avail of input tax credit on goods (on which the duty of central excise or, as the case may be, additional duties of customs under sub-section (1) of section 3 of the Customs Tariff Act, 1975, is leviable) held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of central excise duty.

(ii) Such credit shall be allowed at the rate of sixty per cent. on such goods which attract central tax at the rate of nine per cent. or more and forty per cent. for other goods of the central tax applicable on supply of such goods after the appointed date and shall be credited after the central tax payable on such supply has been paid:

Provided that where integrated tax is paid on such goods, the amount of credit shall be allowed at the rate of thirty per cent. and twenty per cent. respectively of the said tax

(iii) The scheme shall be available for

six tax periods from the appointed date.

(b) Such credit of central tax shall be availed subject to satisfying the following conditions, namely,-

(i) such goods were not unconditionally exempt from the whole of the duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985 or were not nil rated in the said Schedule.

(ii) the document for procurement of such goods is available with the registered person.

(iii) the registered person availing of this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in **FORM GST TRAN 2** at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period.

(iv) the amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in **FORM GST PMT-2** on the Common Portal.



(v) the stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.

*(In CGST Rules)*

**(4) (a) (i) A registered person, holding stock of goods which have suffered tax at the first point of their sale in the**

State and the subsequent sales of which are not subject to tax in the State availing credit in accordance with the proviso to sub-section (3) of section 140 shall be allowed to avail input tax credit on goods held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of value added tax.

(ii) Such credit shall be allowed at the rate of sixty per cent. on such goods which attract State tax at the rate of nine per cent. or more and forty per cent. for other goods of the State tax applicable on supply of such goods after the appointed date and shall be credited after the State tax payable on such supply has been paid:

Provided that where integrated tax is paid on such goods, the amount of credit shall be allowed at the rate of thirty per cent. and twenty per cent. respectively of the said tax.

(iii) The scheme shall be available for six tax periods from the appointed date.

(b) Such credit of State tax shall be availed subject to satisfying the following conditions, namely,-

(i) such goods were not wholly exempt from tax under the <Name of the State> Value Added Tax Act,.....

(ii) the document for procurement of such goods is available with the registered person.

(iii) the registered person availing of this scheme and

having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in FORM GST TRAN 2 at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period.

(iv) the amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.(v) the stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.

(In SGST Rules of States offering tax on MRP scheme)

## 2. Declaration to be made under clause (c) of sub-section (11) of section 142

Every person to whom the provision of clause (c) of sub-section (11) of section 142 applies, shall within a period of ninety days of the appointed day, submit a declaration electronically in FORM GST TRAN-1 furnishing the proportion of supply on which VAT or service tax has been paid before the appointed day but the supply is made after the appointed day, and the ITC admissible thereon.

[Individual States may insert a proviso giving the details of methodology of calculation of the VAT paid which would be available as ITC of State Tax]

## 3. Declaration of stock held by a principal and agent

Every person to whom the provisions of section 141 or sub-section (14) of section 142 apply shall, within ninety days of the appointed day, submit a declaration electronically in FORM GST TRAN-1, specifying therein, the stock of the inputs, semi-finished goods or finished goods, as applicable, held by him on the appointed day.

## 4. Details of goods sent on approval basis

Every person having sent goods on approval under the existing law and to whom sub-section (12) of section 142 applies shall, within ninety days of the appointed day, submit details of such goods sent on approval in FORM GST TRAN-1.

## 5. Recovery of credit wrongly availed

The amount credited under sub-rule (3) of rule 1 may be verified and proceedings under section 73 or, as the case may be, section 74 shall be initiated in respect of any credit wrongly availed, whether wholly or partly.



## NOTIFICATION ON TAX ON SHARES TRANSACTION & SEC. 10(38) EXEMPTION



In exercise of the powers conferred by third proviso to the clause (38) of section 10 of the Income-tax Act, 1961 (43 of 1961) hereinafter referred to as the Income-tax Act, the Central Government hereby notifies all transactions of acquisition of equity share entered into on or after the 1st day of October, 2004 which are not chargeable to securities transaction tax under Chapter VII of the Finance (No. 2) Act, 2004 (23 of 2004), other than the following, namely :—

(a) where acquisition of existing listed equity share in a company whose equity shares are not frequently traded in a recognised stock exchange of India is made through a preferential issue:

Provided that nothing contained in this clause shall apply to acquisition of listed equity shares in a company:—

(i) which has been approved by the Supreme Court, High Court, National Company Law Tribunal, Securities and Exchange Board of India or Reserve Bank of India in this behalf;

(ii) by any non-resident in accordance with foreign direct investment guidelines issued by the Government of India;

(iii) by an investment fund referred to in clause (a) of Explanation 1 to section 115UB of the Income-tax Act or a venture capital fund referred to in

clause (23FB) of section 10 of the Income-tax Act or a Qualified Institutional Buyer;

(iv) through preferential issue to which the provisions of chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 does not apply.

(b) where transaction for acquisition of existing listed equity share in a company is not entered through a recognised stock exchange of India:

Provided that nothing contained in this clause shall apply to the following acquisition of listed equity shares in a company made in accordance with the provisions of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), if applicable,

(i) acquisition through an issue of share by a company other than the issue referred to in clause (a);

(ii) acquisition by scheduled banks, reconstruction or securitization companies or public financial institutions during their ordinary course of business;

(iii) acquisition which has been approved by the Supreme Court, High Courts, National Company Law Tribunal, Securities and Exchange Board of India or Reserve Bank of India in this behalf;

(iv) acquisition under employee stock option scheme or employee stock purchase scheme framed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(v) acquisition by any non-resident in accordance with foreign direct investment guidelines of the Government of

India;

(vi) where acquisition of shares of company is made under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

(vii) acquisition from the Government;

(viii) acquisition by an investment fund referred to in clause (a) to Explanation 1 to section 115UB of the Income-tax Act or a venture capital fund referred to in clause (23FB) of section 10 of the income-tax Act or a Qualified Institutional Buyer;

(ix) acquisition by mode of transfer referred to in sections 47 or 50B of the Income-tax Act, if the previous owner of such shares has not acquired them by any mode referred to in clause (a) or clause (b) or clause (c) [other than the transactions referred to in the proviso to clause (a) or clause (b)].

(c) acquisition of equity share of a company during the period beginning from the date on which the company is delisted from a recognised stock exchange and ending on the date immediately preceding the date on which the company is again listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 read with Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules made thereunder;



**Explanation,**—For the purposes of this notification,—

(a) “frequently traded shares” means shares of a company, in which the traded turnover on a recognised stock exchange during the twelve calendar months preceding the calendar month in which the acquisition and transfer is made, is at least ten per cent. of the total number of shares of such class of the company:

Provided that where the share capital of a particular class of shares of the company is not identical throughout such period, the weighted average number of total shares of such class of the company shall represent the total number of shares.

(b) “Listed” means listed in a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.

(c) “preferential issue” and “Qualified Institutional Buyer” shall have the meanings

respectively assigned to them in sub-regulation (1) of regulation (2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(d) “public financial institution” and “scheduled bank” shall have the meanings respectively assigned to them in *Explanation* to clause (viiia) of sub-section (1) of section 36 of Income-tax Act.

(e) “recognised stock exchange” shall have the same meaning assigned to it in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956.

(f) “reconstruction company” and “securitisation company” shall have the meanings respectively assigned to them in sub-section (1) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002).

2. This notification shall

come into force with effect from the 1<sup>st</sup> day of April, 2018 and shall accordingly apply to assessment year 2018-19 and subsequent assessment years.



## COMPUTERIZED DESK AUDIT (CDA)

The department has now generated **Computerized Desk Audit (CDA)** reports for the period 2014-2015 after analyzing electronic data pertaining to e>Returns, audit reports in form e-704 and annexures thereof uploaded by all the dealers. The CDA for this period has resulted into -findings of likely tax liability in respect of some of

the dealers. The CDA findings for this period are available through dealers’ access on the web site [www.mahavat.gov.in](http://www.mahavat.gov.in) and also dealers can submit compliance electronically. The dealer will not be required to visit the sales tax office for audit period if he agrees with the findings of the CDA and pays tax as per

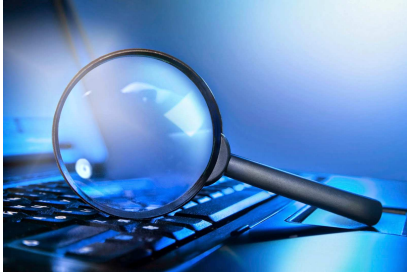
CDA along with applicable interests.

**Selection of cases for the regular assessment** for the period 2014-2015:

The department has selected the cases for comprehensive assessment and issue base audit for the year 2014-15. The facility of CDA will not be available to these Assesseees.







Assessee, in these cases, will be required to attend before the assessing authority for the complete verification of their books of accounts. The list of assesses selected for assessment and IBA is displayed on the web site [www.mahavat.gov.in](http://www.mahavat.gov.in)

The dealers, in whose cases, discrepancies have been found in any or all of the parameters as above, and whose names appear in CDA Dealer List - 2014-2015 on the web site [www.mahavat.gov.in](http://www.mahavat.gov.in) may opt for compliance to the CDA through the online system,

The CDA compliance system available on the web site:

The Computerized Desk Audit compliance system consists of;

- a) The communication of the CDA findings in Form 604 A followed by the Annexure wherein the dealer can see the details of the transactions pertaining to the CDA parameters.
- b) The CDA Web Compliance Form in which the dealer can accept or reject the parameter-wise tax liability
- c) The Interest Utility for calculation of interest under section 30(2)
- d) The dealer can fill Payment details & Return details and submit online' compliance.

**Communication of findings of CDA through a notice in form 604 A i.e. an intimation u/s. 63(7) of the MVAT Act:**

The communication of the CDA findings shall be in notice in form 604 A. It shall be available to the concerned

dealer on the web site [www.mahavat.gov.in](http://www.mahavat.gov.in). The dealer will be required to login with his user id and password.

After log in, the dealer will open the link "Computerized Desk Audit" and select the relevant financial year to download CDA findings. After clicking the link for download, CDA findings in form 604 A will be downloaded in zipped file and can be saved by the dealer as HTML file. At the same time an acknowledgment will be generated for the department regarding successful delivery of CDA findings in form 604 A. The, said acknowledgment will also be available to the dealer on the web-site.

The CDA findings in form 604 A (HTML file) will be available to the dealers from 08/06/2017 through their log in IDs on MAHAVAT website as stated above. The dealers will also receive the CDA findings in form 604 A (zipped HTML file) through e-mails on the e-mail IDs which are available with the department. An intimation about selection of case under CDA category will also be intimated to the dealer through customized SMS.

After compulsorily downloading CDA findings in form 604 A, the link for CDA compliance web-form will be available to the dealer for compliance. It may be noted that unless the CDA findings in form 604 A is downloaded, the dealer will not be able to access the CDA Compliance Form.

Compliance to the CDA and Payment of due Tax and Interest.

The compliance to the CDA is required to be made directly on the website. For this purpose, the dealer would be required to access the "CDA Compliance Form" for the relevant year in the link "Computerized Desk Audit" on the web site [www.mahavat.gov.in](http://www.mahavat.gov.in) through his login Id and the password. This report shows the audit parameters

and the related tax liability in a tabular form. The facility of acceptance or denial of any of the audit parameters and also the facility for entering interest payments Ws 30(2) and 30(4) have also been made available to the dealer through a button on the same web page, Also a button is provided for accessing Interest calculation utility.

a. The dealer shall go through the information provided in CDA so as to arrive at a decision as to whether the additional tax liability for each audit parameter is acceptable to him or not. For this purpose he may go through the details as mentioned in CDA findings in form 604 A (html file) where the tax liability against each audit parameter in CDA is supported by party-wise sale / purchase transactions.

b. The dealer may accept the audit parameter and the tax liability thereof in terms of any or ail of the audit For his acceptance, he will select 'YES' from the drop down menu against the relevant parameter. The dealer may not accept the audit parameter and the tax liability thereof. For his non-acceptance he will select 'NO' from the drop down menu against the relevant parameter. Partial acceptance of tax liability against any parameter is not provided for. However, the dealer may accept liability on ac-



count of some parameters and may deny the tax liability on some other parameters. The dealer should select 'NO' if the parameter risk is zero.

c. In case of accepted tax liability the dealer would calculate the interest



payable under section 30(2) using the utility provided under the button 'Calculate Interest'. The dealer has to distribute the admitted tax liability across all return periods applicable as per the periodicity if the payments are made before 1<sup>st</sup> April 2015 e.g. asked to pay category payment. If the payments are made on or after 1<sup>st</sup> April 2015, then the dealer has to calculate interest applicable for Annual revised return as per the amendment in section 30(2) applicable for such periods.

Further, the State Government has issued a **Notification No. VAT 1515/CR-81/Taxation-1, dated 5<sup>th</sup> November 2015**. By virtue of the said notification an amendment to sub rule (1) of the principle rule 88 under Maharashtra Value Added Tax Rules 2005 is effected. Earlier under rule 88(1) the rate of interest was one and half quarter percent of the amount delayed tax payment. By this amendment the rate of interest prescribed under rule 88(1) for the purpose of subsection (1)(2) and (3) of section 30 of Maharashtra Value Added Tax Act 2002 are revised. The said amendment is effective from 1<sup>st</sup> December 2015

Depending upon the applicable due dates and as per revised interest rate, the system will calculate interest for relevant return periods. The dealer is required to calculate interest on the total tax admitted in Compliance web4orm excluding any inter-

est amount if included in asked to pay parameters. The dealer would also calculate the interest payable under section 30(4), as may be applicable, and first pay the net tax and the interest so calculated. Necessary validations have been provided so that the CDA Compliance Report gets accepted only if the tax liability and the applicable interests are fully paid in relation to the accepted parameters.

d, if the dealer had already made tax payments for the audit parameter now communicated to him, then such challan details can be entered in the Challan form available by clicking "Payment button" provided in the CDA Compliance web-form. The details about balance additional tax, if any, paid after receipt of CDA report can be entered in another challan added by clicking the "Payment button". The facility of entering multiple chalan details under MVAT and CST Acts is provided the "Payment button".

e. As per the :Explanation to section 30(4), if the additional tax liability is less than 10 percent of 'Taxes paid' as per the admitted tax liability in returns / revised returns (after adjusting tax credits) filed before receipt of CDA intimation, then interest u/s 30(4) is not payable. Similarly, if the additional liability is on account of CST declarations not received by the dealer, then also interest under section 30(4) is not if a dealer admits some or all of

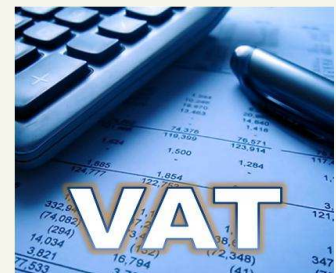
the audit parameters and the admitted tax liability is below 10% of the taxes paid along with returns filed before delivery of CDA intimation, then he will not be required to pay interest under section 30(4).

**It may be noted that without the payment of applicable interests, the CDA Compliance will not be accepted on the website. It may also be noted that the physical submission of the CPA Compliance will not be accepted.**

f. Once the tax and interests are paid the dealer would then file the annual revised return as contemplated u/s 20(4) (c) showing the revised details appropriately.

g. The dealer would then fill in the details of tax and interest payment in the CDA compliance report and confirm the same by clicking the "Submit Compliance" button on the web page of the "CDA Compliance Report". The compliance to the CDA is to be made on or before 31-07-2017. It is therefore in the interest of the dealer to download the "CDA Report" and the intimation in form 604 A as soon as possible. The online submission of the CDA compliance Report will be treated as full compliance in relation to admitted audit parameters' additional tax Full compliance related to a parameter will result in closure of the parameter.

h. The dealer is at liberty to disagree with the CDA. However, all the cases where parameters have not been accepted will be taken up for scrutiny, by way of Issue





Based Assessment or comprehensive assessment, for the confirmation of facts through the personal hearing of the dealer in which case the penalty under section 29(3), in addition to interests, shall also be payable. As stated above the partial acceptance against a particular parameter will not be accepted.

i. The facility of CDA Compliance will not be available to LTU dealers or PSI cases or refund claiming dealers or the cases pending for investigation or the cases specifically selected for comprehensive audits or assessments

for the period 2014-15. As stated earlier, the cases selected for comprehensive audits/ Issue base audit or assessments pertaining to period 2014-15 are displayed on the MAHAVAT web-site.

**Benefits of the online CDA Compliance:**

The dealer will not be required to come to the department for verification of the books of accounts for CDA related issues. The audit parameters selected are clear and generated from the dealer's own submissions. In most of the cases, there is a single audit parameter which is easy to comply. The dealer will be saved from the cost of compliance through the online compliance mechanism.

**Communication of case closure in form 605:**

The department will separately inform the closure of the CDA cases in which full compliance is received and the due taxes and interests have been paid. Such a communication will be in form 605.

The dealers are requested to positively respond to the contents of this circular. This Circular cannot be made use

of for legal interpretation of provisions of law, as it is clarificatory in nature. In case of any doubt, the dealer may contact the designated officer on the telephone number provided in Form 604 (A) or mentioned in CDA Cases list on Mahavat website.

You are requested to bring the contents of this circular to the notice of all the members of your association.

**C B D T E X T E N D S D U E D A T E O F S F T**

Section 285BA of the Income-tax Act, 1961 requires furnishing of a statement of financial transaction (SFT) for transactions prescribed under Rule 114E of the Income-tax Rules, 1962. The due date for filing such SFT in Form 61A in respect of specified financial transactions registered or recorded during Financial Year 2016-17 is 31st May 2017.

Representations were received in the Central Board of Direct

Taxes (CBDT) requesting for extension of the date of filing of the said SFT on account of the teething problems and the volume of data to be compiled. In view of these representations and in order to remove inconvenience and to facilitate ease of compliance, the CBDT, in exercise of powers conferred under section 119 of the Act, have extended the due date of furnishing of the SFT under Rule 114E (5) of the IT Rules,

read with sub-section (1) of section 285BA of the Income Tax Act, 1961 in respect of specified financial transactions registered or recorded during Financial Year 2016-17, from 31st May 2017 to 30th June 2017.



## **L L B & C O .**

525, The Summit Business Bay,  
Behind Gurunanak Petrol Pump,  
Near W.E. Highway Metro and Cinemax, Andheri  
(East),  
Mumbai - 400 069

Office No.: 5, Barsana,  
Salasar Brij Bhoomi,  
Near Maxus Mall,  
Bhayandar (West),  
Thane - 401101

Phone: +91 - 22 - 26831036  
+91 - 22 - 49242456  
+91 - 22 - 28040048

E-Mail: [info@llbco.in](mailto:info@llbco.in)  
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**Innovate Create Lead**

## **I E P F – D U E D A T E O F T R A N S F E R O F S H A R E S**

Ministry of Corporate Affairs has issued a clarification pursuant to second proviso to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017. According to the Rule, where the seven year period under sub-section (5) of section 124 is completed during September 7, 2016 to May 31, 2017, the due date for transfer of such shares by companies is May 31, 2017. The Investor Education and Protection Fund Authority is in the process of

finalizing the modalities for transfer/transmittal of shares from companies accounts to the Demat account of the IEPF Authority. It is considering opening special Demat account and till opening of Demat accounts, the due date for transfer of shares stands extended.

The Companies are advised to complete all formalities, as laid down in the aforesaid Rules without waiting for the fresh dates. Companies which have already published notice in newspaper and send notices to the share-

holders need not give the fresh notices again due to this extension.

A revised due date for transfer/transmittal of shares is expected to be



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