

# Info Capsule

## **ONLINE APAR FOR INDIAN TRADE SERVICE SPARROW-ITS LAUNCHED<sup>1</sup>**

In accordance with the Government of India's policy to introduce online Annual Performance Appraisal Report (APAR) for Group 'A' services, Smt. Rita Teotia, Commerce Secretary launched the SPARROW-ITS (Smart Performance Appraisal Report Recording Online Window) today, to enable the Indian Trade Service (ITS) officers to fill their APAR online for the year 2016-17 onwards. The event was attended by Sh. Ajay Bhalla, DGFT and other senior officers of DGFT.

The APARs would be generated and transmitted online to the concerned officers for filling up of the self appraisal. The officer can then submit the self appraisal online through Digitally Signed Signature (DSC) or through E-sign. The subsequent processes of reporting and reviewing would also be done online by the Reporting and Reviewing Officer by using DSC or E-sign. The timelines have been drawn up for each stage of the process. The entire process of filling up of APAR would have to be completed by 31st December and no remarks can be added after that date.

The very idea of switch over from manual to online system is to ensure ready access of APAR dossier by the authorized users, preventing loss of APARs in transition, address the issues of ante-dating, remarks recorded by the Reporting Authorities without dates, etc. Above all, it brings in transparency into the APAR management system. This would, in turn, ensure that the APAR dossiers are readily available for promotions at various levels which used to get delayed for want of updated APARs. This is another step towards Digital India in the government, where various administrative processes are being moved to IT platform leading to transparency and ease of administration. The 150 officers of ITS would, thus, get benefited by timely promotions and all other benefits dependent upon the evaluation of their APARs.

## **CENTRAL BOARD OF DIRECT TAXES (CBDT) ISSUES CLARIFICATION ON FURNISHING STATEMENT OF FINANCIAL TRANSACTION (SFT) & SFT PRELIMINARY RESPONSE<sup>2</sup>**

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.

In case there are reportable transactions for the year, the reporting person/entity is required to register with the Income Tax Department and generate Income Tax Department Reporting Entity Identification Number (ITDREIN). The same can be generated by logging-in to the e-filing website (<https://incometaxindiaefiling.gov.in/>) with the login ID used for the purpose of filing the Income Tax Return of the reporting person / entity. Entity having PAN can take only PAN based ITDREIN. Entity having TAN can generate an ITDREIN only when such TAN's Organisational PAN is not available.

<sup>1</sup> Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

<sup>2</sup> Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

The registration of reporting person (ITDREIN registration) is mandatory only when at least one of the Transaction Type is reportable. A functionality "SFT Preliminary Response" has been provided on the e-Filing portal for the reporting persons to indicate that a specified transaction type is not reportable for the year.

Detailed procedure of ITDREIN registration and upload of Form 61A is available under the "Help" section and Form 61A utility and Schema are available under the download section of <http://www.incometaxindiaefiling.gov.in> and <https://www.cleanmoney.gov.in>. Online filing of form 61A requires a valid class 2 or 3 digital signature certificate of person responsible for filing the same. Please refer "DSC Management Utility" manual under help section on how to generate the signature file, attaching the XML with signature and uploading of XML with signature file in e-Filing portal.

### **CENTRAL BOARD OF DIRECT TAXES (CBDT) EXTENDS THE DUE DATE FOR FURNISHING STATEMENT OF FINANCIAL TRANSACTION (SFT) TO 30TH JUNE 2017<sup>3</sup>**

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.

### **AFTER GST REGIME, TELECOM COMPANIES WOULD BE REQUIRED TO RE-WORK THEIR COSTING AND CREDITS AVAILABILITY AND RE-JIG THEIR PRICES AND ENSURE THAT THE INCREASED AVAILABILITY OF CREDIT IS PASSED ON TO THE CUSTOMERS BY LOWERING THEIR COSTS<sup>4</sup>**

Telecommunication services presently attract Service Tax of 14% along with Swachh Bharat Cess (SBC) of 0.5% and Krishi Kalyan Cess (KKC) of 0.5%. While Service Tax is a pure value added tax, the above mentioned cesses are not. This is the reason that while no ITC (Input Tax Credit) of SBC is available, the ITC of KKC is allowed to be set-off only against KKC. Therefore, both the cesses are turn-over tax.

As against the above, the Telecommunication Services will attract GST of 18% in the GST regime, which is a pure Value Added Tax because full ITC of Inputs and Input Services used in the course or furtherance of business by the telecommunication service providers would be available.

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Moreover, presently Telecom Service providers are neither eligible for credit of VAT paid on goods nor of Special Additional Duty (SAD) paid on imported goods/equipments. However, under GST, Telecom Service Providers would avail credit of IGST paid on domestically procured goods as also imported goods. As per some estimates, this additional Input Tax Credit would be as much as 2% of the turnover of the telecom industry. Further, ITC of Service Tax paid on assignment of spectrum by the Government in 2016 is presently allowed to be availed of by the telecommunication companies over a period of 3 years. In the GST regime, the entire credit can be taken in the same year. Resultantly, the balance two-third credit of the previous year would be admissible in the Current Financial Year itself. All of these would reduce the telecom companies' liability to pay GST through cash to about 87% of what they paid in the last fiscal.

Thus, the telecom companies are required to re-work their costing and credits availability and re-jig their prices and ensure that the increased availability of credit is passed on to the customers by lowering their costs.

***Team ICSI***

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