

Lunawat Bulletin

Market Watch

Sensex

31.08.2017 : 31,730.00

31.07.2017 : 32,514.94

Nifty

31.08.2017 : 9,918.00

31.07.2017 : 10,078.80

Mutual Funds are mandated to obtain Aadhaar Number

It has been made mandatory for mutual fund houses to obtain their customers' Aadhaar numbers and link the same to their respective accounts. This follows a recent amendment in the Prevention of Money Laundering Act (PMLA) Rules, 2017.

Registrar and transfer (R&T) agent, CAMS (Computer Age Management Services), has launched an online facility to link mutual fund investments to Aadhaar.

Currently, the deadline of 31 December has been set for mutual funds to link all of their customers' Aadhaars. As this linking has been made compulsory, the fund houses are bound to start asking their customers to provide the required information

Luxury cars /SUV all set to be expensive

The Union Cabinet approved the GST Council's proposal to hike the cess on mid-size cars, SUVs and luxury vehicles to 25% from an existing 15%. This 10% hike on cars will more or less bring back the cost of vehicles to what it was during the pre-GST era.

The move to hike the cess has been referred as 'damaging' and will be a cause of the slowdown in domestic sales. Post the implementation of GST vehicles like Tata Hexa, Toyota Innova Crysta, Hyundai Tucson etc saw a price cut of almost Rs 1 lakh.

The ten percent increase on cars will not be levied on sub-4-meter cars and SUVs, even the vehicles which are above 4 meters in length and less than Rs 20 lakh might just escape this additional cess, the government is yet to announce the criteria to levy this 25% cess on vehicles.

Imported cars like Jeep Grand Cherokee and Jeep Wrangler whose prices were reduced by about 9 lakh will again see revised pricing. Luxury sports cars including the likes of Porsches and Lamborghinis will also see a massive price hike.

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Government sells 7% in NTPC to raise Rs 9100 Crore

The government has received bids for 7 % stake in India's largest power producer NTPC, which will fetch about Rs 9,100 crore to the exchequer. The government had planned to sell over 41.22 crore shares, or 5 % holding, through the two-day OFS, with an option to retain a similar portion in case of over-subscription.

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Compliance Due Dates

Due Date	Related to	Particulars
01.09.2017 (Friday)	DVAT	Submit DVAT return in Form DVAT –16, 17 & 48 for Quarter ended on 30th June 2017 (Q1) of FY 2017-18.
05.09.2017 (Tuesday)	GST	File GSTR –1 (Sales Return) for the month of July 2017 for all the registered dealers and service providers.
07.09.2017 (Thursday)	TDS/TCS (INCOME TAX)	Deposit Tax deducted/collected during the month of August 2017
10.09.2017 (Sunday)	GST	File GSTR –2 (Purchase Return) for the month of July 2017 for all the registered dealers and service providers.
14.09.2017 (Thursday)	INCOME TAX	Issue TDS Certificate for tax deducted under Section 194-IA in the month of July 2017
15.09.2017 (Friday)	DVAT	Deposit tax deducted at source under DVAT Act for the month of August 2017
15.09.2017 (Friday)	EPF ESI	<ul style="list-style-type: none"> • Deposit PF under Employees Provident Fund & Misc. Provision Act, 1952 deducted for the month of August 2017 • Deposit ESI under Employees State Insurance Act, 1948 deducted for the month of August 2017
15.09.2017 (Friday)	INCOME TAX	Deposit 2nd Instalment of Advance Tax for AY 2018-19.
15.09.2017 (Friday)	GST	File GSTR –3 for the month of July 2017 for all the registered dealers and service providers.
20.09.2017 (Wednesday)	GST	<ul style="list-style-type: none"> • Deposit GST collected during the month of August 2017 for all registered dealers and service providers • Submit online Form GSTR-3B for the month of August 2017 for all registered dealers and service providers.
20.09.2017 (Wednesday)	GST	File GSTR –1 for the month of August 2017 for all the registered dealers and service providers
25.09.2017 (Monday)	GST	File GSTR –2 for the month of August 2017 for all the registered dealers and service providers.
28.09.2017 (Thursday)	GST	File Form Tran-I to claim Transitional ITC due as on 30th June 2017 by all registered dealers
30.09.2017 (Saturday)	GST	File GSTR –3 for the month of August 2017 for all the registered dealers and service providers.
30.09.2017 (Saturday)	TDS (INCOME TAX)	Furnish challan-cum-statement in respect of tax deducted under Section 194-IA in the month of August, 2017

List of Holidays

<i>DATE</i>	<i>DAY</i>	<i>REGARDING</i>
<i>02.09.2017</i>	<i>Saturday</i>	<i>Id ul Zuha</i>
<i>30.09.2017</i>	<i>Saturday</i>	<i>Dussehra</i>

Income Tax

CBDT clarifies Income-tax Dept To Write Off Irrecoverable Tax Demands To Reduce 'Bad Debts'

The Directorate of Income-tax (Recovery & TDS) has addressed a directive dated 10th July 2017 in which it has stated that in order to expedite the reduction of bad debts of the Government and the Department, the Directorate of Recovery has compiled a list of a total of 186 cases pending for Write-Off of Rs.25 lakhs and above as on 01.04.2016 in different charges across India.

CBDT notifies Extension of ITR filing & reports of audit under IT Act.

Due to large GST compliances in the month of September, 2017, the CBDT has extended the 'due-date' for filing the return of income as well as various reports of audit prescribed under the IT Act which are required to be filled by said 'due date' from 30th September 2017 to 31st October 2017

CBDT notifies bonds of Indian Railway Finance corporation eligible investment u/s 54EC

CBDT in exercise of power conferred by clause (ba) of explanation to section 54EC of Income Tax Act 1961 has notified that any bond:

- Redeemable After 3 years, and
- Issued by Indian Railway Finance Company is treated as long term specified asset for the purposes of said section.

Other Income Tax Notifications

1. CBDT amends Form 29B for those company on which section 115JB of Income Tax Act 1961 applies, shall furnish the report in prescribed format. As per notification dated 18th August 2017, CBDT Amends IT rules to make filing of Form 29C(AMT) filing electronically mandatory and amend form 29B for MAT certificate.
2. CBDT notifies investment funds of 121 countries would not constitute business connection u/s 9A(3)(b)
3. CBDT extends time to link Aadhar with PAN to 31st December 2017
4. CBDT modifies guidelines for stay of demand by the AO. The CBDT has issued Office Memorandum dated 31st July 2017 by which it has amended the conditions stipulated in the earlier OM dated 29.02.2016 pursuant to which the AO is empowered to grant a stay of the outstanding demand till the disposal of the appeal by the CIT(A) and increased the deposit of demand from 15% to 20%.



GST Updates

Exports Under LUT/Bond

◆ Eligibility to export under LUT

It is hereby clarified that any registered person who has received a minimum foreign inward remittance of 10% of export turnover in the preceding financial year is eligible for availing the facility of LUT provided that the amount received as foreign inward remittance is not less than Rs. one crore. This means that only such exporters are eligible to LUT facilities who have received a remittance of Rs. one crore or 10% of export turnover, whichever is a higher amount, in the previous financial year. (It may however be noted that a status holder as specified in paragraphs 3.20 and 3.21 of the Foreign Trade Policy 2015-2020 is eligible for LUT facility regardless of whether he satisfies the above conditions.)

◆ Form for LUT

Bonds are furnished on non-judicial stamp paper, while LUTs are generally submitted on the letterhead containing signature and seal of the person or the person authorized in this behalf.

◆ Bank guarantee

Bank guarantee should normally not exceed 15% of the bond amount. However, the Commissioner may waive off the requirement to furnish bank guarantee taking into account the facts and circumstances of each case.

◆ Time for acceptance of LUT/Bond

LUT/bond is *a priori* requirement for export, including supplies to a SEZ developer or a SEZ unit, the LUT/bond should be processed on top most priority and should be accepted within a period of three working days from the date of submission of LUT /bond along with complete documents by the exporter

◆ Purchases from manufacturer and form CT-1:

CT-1 form which was earlier used for purchase of goods by a merchant exporter from a manufacturer without payment of central excise duty. The scheme holds no relevance under GST since transaction between a manufacturer and a merchant exporter is in the nature of supply and the same has not been exempted under GST even on submission of LUT/bond. Therefore, such supplies would be subject to GST. The zero rating of exports, including supplies to SEZ, is allowed only with respect to supply by the actual exporter under LUT/bond or payment of IGST.

◆ Transactions with EOUs

Zero rating is not applicable to supplies to EOUs and there is no special dispensation for them. Therefore, supplies to EOUs are taxable under GST just like any other taxable supplies. The EOUs, to the extent of exports, are eligible for zero rating like any other exporter.

◆ Forward inward remittance in Indian Rupee

Acceptance of LUT instead of a bond for supplies of goods to Nepal or Bhutan or SEZ developer or SEZ unit will be permissible irrespective of whether the payments are made in Indian currency or convertible foreign exchange as long as they are in accordance with applicable RBI guidelines. It may also be noted that supply of services to SEZ developer or SEZ unit will also be permissible on the same lines. The supply of services, however, to Nepal or Bhutan will be deemed to be export of services only if the payment for such services is received by the supplier in convertible foreign exchange.



GST Other Updates

- ◆ For dealers opting in composition scheme under GST shall furnish the details of stock, including the inward supply of goods received from unregistered persons, held by him on the day preceding the date from which he opts to pay tax under the said section, electronically, in FORM GST CMP-03, on the common portal, within a period of 90 days from the date on which the option for composition levy is exercised or within such further period as may be extended by the Commissioner in this behalf.
- ◆ Upon submission of an application in FORM GST REG-13 for person required to be granted a Unique Identity Number or after filling up the said form or after receiving a recommendation from the Ministry Of External Affairs, assign a Unique Identity Number to the said person and issue a certificate in FORM GST REG-06 within a period of three working days from the date of the submission of the application.
- ◆ Registered person shall within a period of thirty days from the date of becoming eligible to avail the input tax credit under sub-section (1) of section 18, or within such further period as may be extended by the Commissioner by a notification in this behalf, shall make a declaration, electronically, on the common portal in **FORM GST ITC-01** to the effect that he is eligible to avail the input tax credit as aforesaid .
- ◆ New rule inserted in CGST Rules regarding manner of reversal of credit of Additional Duty of Customs in respect of Gold Dore Bar.
- ◆ Challan in Form GST PMT-06 generated at the common portal shall be valid for a period of fifteen days.
- ◆ In Form GST REG-01 Government Departments applying for registration as suppliers may not furnish Bank Account details.
- ◆ Form GST REG-13 substituted with a new form.
- ◆ GSTR6– furnishing details of invoices for ISD , extended to 8th Sept 2017 for July month and 23rd Sept 2017 for August 2017.

MCA

1. Companies (Arrests in connection with Investigation by serious Fraud Investigation Office) Rules, 2017 has been notified. Consequently also notified commencement of section 212 (8) to (10) related to SIFO
2. National company Law Appellate Tribunal Rules have been amended for appearance of authorised representative. A brief thereof is:
 - ◆ A party to any proceedings or appeal before the Appellate Tribunal may either appear in person or authorise one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any other person to present his case before the Appellate Tribunal.
 - ◆ The Central Government, the Regional Director or the Registrar Companies or Official Liquidator may authorise an officer or an Advocate represent in the proceedings before the Appellate Tribunal.



Ministry of Corporate Affairs

Government of India

सत्यमेव जयते

Lunawat Update

Presentations

During August 2017, our partner **CA. Pramod Jain** gave following presentations:

- “ICDS, Cash Restrictions AS & Schedule III Amendments’ at Agra Branch of CIRC of ICAI.
- “Cash Restrictions, AS & Schedule III Amendments’ at ICAI, Pune, Branch of WIRC of ICAI.
- “Critical issues in Tax Audit & ICDS III to IX’ at ICAI, Pune Branch of WIRC of ICAI.
- “Critical Issues in Tax Audit & ICDS (I, II, IV, V & IX)” at Nehru Place Study Circle of NIRC of ICAI.
- “Finalization of Balance Sheet, Tax Audit & ICDS (I, II, IV, V & IX)” at Urban Estate CPE Study Circle of NIRC of ICAI.
- “Amendments in Tax Audit including ICDS Effects” at West Delhi Study Circle (WDSC) of NIRC of ICAI.
- “Finalization of Balance Sheet, Tax Audit & ICDS (I, II, IV, V & IX)” at KGCA, Khanna of Ludhiana Branch of NIRC of ICAI.
- “Basics of Tax Audit & ICDS I, II & IV “ at East Delhi CA CPE Study Circle of NIRC of ICAI.

- “Cash Restrictions, AS & Schedule III Amendments, Tax Audit & ICDS (I, II, IV, V & IX)” at Ambala Branch of NIRC of ICAI
- “Critical Issues in Tax Audit & ICDS, ICDS I & II” at Laxmi Nagar CPE Study Circle of NIRC of ICAI.
- “ICDS Overview, ICDS I to VI & IX, AS & Schedule III Amendments” at North Campus Study Circle of NIRC of ICAI
- “ICDS (I – V & IX), Tax Audit issues, AS & Schedule III Amendments’ at Indore Branch of CIRC of ICAI
- “ICDS Overview, ICDS I, II & IX, AS & Schedule III Amendments’ at South Delhi CA Study Circle of NIRC of ICAI

During August 2017, our partner **CA Rajesh Saluja** gave following presentations:

- “Finance for Non-Finance” at Sony India P Ltd.
- “Training on Finance” Acumen at MSIL
- “Finance for Non Finance” at Pearson India, Bangalore
- “Finance for Non Finance” at Carborundum Universal Ltd

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