

October 2017

Lunawat Bulletin

Market Watch

Sensex

29.09.2017: **31283.72**

31.08.2017 : **31730.00**

Nifty

29.09.2017: **9788.60**

31.08.2017 : **9918.00**

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Exporters seek quicker refund, no GST for merchant traders

The apex body of exporters, Federation of Indian Export Organisations (FIEO), pushed for a complete exemption from import charges on inputs used in exports. "Indian exporters are losing out to their competitors from such countries. Ab initio exemption from IGST may be provided against such Advance Authorisation/EPCG and EOU Scheme," FIEO said.

Merchant exporters account for over 30% of country's exports, who usually work on razor thin margins of 2-4%. The imposition of GST has made their costing haywire, particularly for products having higher GST rate, as they have to pay GST and seek refund after some time lag, FIEO said as it asked for timely refunds from the government.

GST: Govt issues clarification to address service tax issues, misses key concerns

Taxpayers facing problem regarding the report of the service tax and taking credit of the same that was payable during the pre-GST period, but paid during the GST regime. For the services under reverse charge made during June, the payment of service tax was technically due on July 6 and strictly speaking it could not be reported in the last service tax return period comprising April to June.

As per the circular, the due date of filing the revised service tax return (which already expired for most people) has been extended to October 15 to facilitate reporting of such payment and taking credit in TRAN 1 (deadline is October 30).

Tax refund scam busted in Hyderabad, 200 techies forced to return money

A charge sheet filed by Hyderabad Central Crime Station sleuths in the city criminal court has revealed that at least 200 information technology employees, including from Polaris BSE -1.71 % Hyderabad, faked disability and chronic illness of family members in order to fraudulently claim income tax refund.

Funds raised through the issue would be used to pay debt and to finance the company's 200 MW solar power project in Rajasthan and for other general corporate purposes.

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Compliance Due Dates

Due Date	Related to	Particulars
07.10.2017 (Saturday)	TDS/TCS (Income Tax)	Deposit Tax deducted/collected during the month of September 2017 for all as- sessees
10.10.2017 (Tuesday)	GST	File GSTR –1 for the month of July 2017 for all the registered dealers and service providers.
13.10.2017 (Friday)	GST	File GSTR-6 by Input Service Distributor for month of July 2017
15.10.2017 (Sunday)	EPF	Deposit PF under Employees Provident Fund & Misc. Provision Act, 1952 deduct- ed for the month of September 2017.
15.10.2017 (Sunday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Due date for issue of TDS Certificate for tax deducted u/s 194-IA in the month of August, 2017 Quarterly statement of TCS deposited for quarter ending September 2017 Quarterly statement in respect of foreign remittances (to be furnished by author- ized dealers) in Form No. 15CC for quarter ending September, 2017 Last date for submitting consent by the assessee through their 'e-Filing' ac- count for time barring scrutiny cases during FY 2017-18
15.10.2017 (Sunday)	ESI	Deposit ESI under Employees State Insurance Act, 1948 deducted for the month of September 2017.
18.10.2017 (Wednesday)	GST	File GSTR-4 for quarter ended September 2017
20.10.2017 (Friday)	GST	<ul style="list-style-type: none"> Deposit GST collected during the month of September 2017 File GSTR-3B for September 2017
29.10.2017 (Sunday)	Company Law	File Annual Financial Statements in Form AOC-4 for financial year ending 31st March 2017.
30.10.2017 (Monday)	LLP	File Statement of Accounts and Solvency in Form 8 for financial year ending 31st March 2017.
30.10.2017 (Monday)	TDS	<ul style="list-style-type: none"> Due date for furnishing of challan-cum-statement in respect of tax deducted u/s 194-IA in the month of September, 2017. Quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending September 30, 2017
31.10.2017 (Tuesday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Furnish quarterly statement of TDS deposited for the quarter ending Septem- ber 30, 2017 Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending September, 2017 Furnish IT Return for AY 2017-18 if assessee (not having any international transaction) is company or non-corporate (under audit) or its working partner. Upload statement to accumulate / set apart income u/s 10(21) /11(2) in Form 10, & Form 9A to apply income in next year as per Expl. to s. 11(1). Submit statement by Scientific Research Association, University, College, etc as required by Rule 5D / 5E / 5F
31.10.2017 (Tuesday)	GST	<ul style="list-style-type: none"> File GSTR-2 for month of July 2017 File GST Tran 1

List of Holidays

<i>DATE</i>	<i>DAY</i>	<i>REGARDING</i>
02-10-2017	Monday	Gandhi Jayanti
19-10-2017	Thursday	Diwali
20-10-2017	Friday	Goverdhan Puja
21-10-2017	Saturday	Bhai Duj

Income Tax

CBDT to introduce Rule 39A & Form 28AA for voluntary reporting of estimated current income and advance tax liability

CBDT has issued a draft notification dated 19.09.2017 of stating that a taxpayer who is liable to discharge part of its tax liability by way of advance tax has to bear additional burden of interest for default of advance tax, in case total advance tax paid for the year falls short of the assessed tax by 10% or more. This interest is levied as per the provisions of section 234B of the Income-tax Act, 1961.

To create a mechanism for self-reporting of estimates of current income, tax payments and advance tax liability by certain taxpayers viz. companies and tax audit cases, on voluntary compliance basis. Draft of Form 28AA has also been provided in the said draft notification

TDS on interest on deposits made under the Capital Gains Accounts Scheme, 1988 where the depositor has deceased

As per the notification dated 13.09.2017 of CBDT, TDS deducted by bank on the interest earned on deposits under the Capital Gains Accounts Scheme, 1988 in the hand of the deceased depositor and issuing TDS certificates in the name of the deceased depositor, declared not in accordance with the law. Ideally in such type of situations, the TDS certificate on the interest income for and up to the period of death of the depositor is required to be issued on the PAN of the deceased depositor and for the period after death of the depositor is required to be issued on the PAN of the legal heir.

Tax Payers Advised To Confirm Identities Of Income Tax Search Authorities

Instances have been brought to the notice of department wherein, certain unscrupulous elements have conducted unauthorized / illegal searches through forged identity cards claiming to be from Income Tax Department, Delhi.

Government now has provided Facility to confirm the identities of Income Tax Authorities. In case, any doubts still persists after the enquiry then the Income Tax Department can be contacted on the following number 9013850099 for the specified purpose of confirmation of identities of officers/officials working in the Delhi region.

CBDT Explains Impact of SARFAESI Act on Collection of Taxes out of attached Properties

The Directorate of Income Tax (Recovery & TDS) has issued a directive dated 6th September 2017 in which it has explained the salient provisions of the SARFESI Act 2002 and the impact that it has with regard to the right of

CBDT issues instructions for e-assessment

CBDT has issued an order u/s 119 prescribing procedure for e-assessment w.e.f. 1st October 2017 for scrutiny cases pending completion during financial year 2017-18.

Goods and Service Tax

Due Dates for filing GST Returns Revised

Details/ Returns	Tax Period	Revised due date
GSTR-3	July , 2017	10 th November 2017
GSTR-4	July – Sept 2017	18 th October 2017
GSTR-3B	October , 2017	20 th November 2017
GSTR-3B	November , 2017	20 th December 2017
GSTR-3B	December, 2017	20 th January 2018

Casual taxable persons of Handicraft Goods exempted from GST

Central government specifies the casual Taxable Persons making taxable supplies of handicraft goods as the category of persons exempted from obtaining registration.

The following conditions needs to be fulfilled for this.

1. The aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of twenty lakh rupees in a financial year
2. The aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of ten lakh rupees in case of Special Category States, other than the State of Jammu and Kashmir
3. The casual taxable persons shall obtain a Permanent Account Number and generate an e-way bill in accordance with the provisions of rule 138 of the Central Goods and Services Tax Rules, 2017.

GST Highlights

1. The Central government has waived the late fee payable for registered persons who failed to furnish the Return in Form GSTR-3B for the month of July 2017 on due date.
2. A registered person (whether migrated or new registrant), who could not opt for composition scheme, shall be given the option to avail composition till 30th September 2017 and such registered person shall be permitted to avail the benefit of composition scheme with effect from 1st October, 2017.
3. It has been decided to allow an exemption from registration to persons making inter-State taxable supplies of handicraft goods upto aggregate turnover of Rs. 20 lacs as long as the person has a Permanent Account Number (PAN) and the goods move under the cover of an e-way bill, irrespective of the value of the consignment
4. It has been decided to exempt those job workers from obtaining registration who are making inter-State taxable supply of job work service to a registered person as long as the goods move under the cover of an e-way bill, irrespective of the value of the consignment. This exemption will not be available to job work in relation to jewellery, goldsmiths' and silversmiths' wares as covered under Chapter 71 which do not require e-way bill.
5. FORM GST TRAN-1 can be revised once
6. CBEC issued System based reconciliation of information furnished in FORM GSTR-1 and FORM GSTR-2 with FORM GSTR-3B



Company Law

Highlights of Companies Restriction on number of layers Rules 2017

1. Companies other than those mentioned below shall not have more than 2 layers of subsidiaries
2. The provisions of this rule shall not apply to the following classes of companies:
 - A banking company
 - A non Banking financial company , which is registered with the reserve Bank of India and considered as systematically important non banking financial company by the Reserve Bank of India
 - An Insurance Company
 - A government company
3. These companies (as stated at point no. 2) having more than 2 layers of subsidiaries shall:
 - File with Registrar a return in Form CRL-1, within 150 days
 - Not have any additional layer of subsidiaries over and above the existing layers
 - If any company contravenes any provision of these rules the company and every officer of the company who is in default shall be punishable with fine
4. The provisions of these rules will not effect a company form acquiring a company incorporated outside India with subsidiaries beyond two layers as per laws of such country
5. For computing the number of layers under this rule one layer which consists of one or more wholly owned subsidiary or subsidiaries shall not be taken into account
6. Proviso to sub-section (87) of section 2 of Companies Act 2013 has also been accordingly made applicable w.e.f. 20.09.2017.

Services Tax

CBEC has clarified that RCM liability paid under service tax for June 2017 month if paid by 5th / 6th July '17 then credit would be eligible in June '17 only. Also, June 2017 Return can be revised within 45 days, taking RCM credit paid by 5th/6th July '17

Companies (Acceptance of Deposits) Rule Amended

According to the amendment, specified IFSC Public Company and a private company may accept deposits from its members not exceeding 100 % of aggregate of its paid up share capital, free reserves and securities premium account and such company shall file the details of monies so accepted to the Registrar in Form DPT-3. Following are the Companies exempted from the said amendment but are bound to file form DPT-3 :

1. A private company which is a start-up, for 5 years from the date of its incorporation
2. A private company which fulfils all of the following conditions, namely:-
 - which is not an associate or a subsidiary company of any other company
 - the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or Rs. 50 crores, whichever is less; and
 - such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under section 73.
3. New Form DPT 3 shall be available after November 2017 , till then old DPT 3 can be used.

Other MCA Updates

1. An unlisted public company which is a joint venture , a wholly owned subsidiary or a dormant company will not be required to appoint Independent directors.
2. MCA clarified that if a holding company is covered by the corporate sector roadmap for implementation of Ind AS, and if the company has got payment bank or small finance bank as its subsidiary then subsidiary bank shall follow the banking sector road map . However , the payment Banks or small finance banks shall provide the Ind As financial data to its holding company for the purpose of consolidation.

Lunawat Update

Presentations

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

- “ICDS” at Trinagar Keshavpuram CPE Study Circle of NIRC of ICAI.
- “Critical Issues in Tax Audit & ICDS (I to IV & IX)” at Ghaziabad Branch of CIRC of ICAI
- “Critical Issues in Tax Audit & ICDS” at Noida Branch of CIRC of ICAI
- ‘Critical Issues in Tax Audit & ICDS I & II’ at Panchkuin Road CPE Study Circle of NIRC of ICAI
- ‘Critical Issues in ICDS (Except ICDS VI, VII & X)’ at Chandigarh Branch of NIRC of ICAI
- “Tax issues in Shell Companies & Benami Properties” at CA Vichar Manch (CAVM)
- “ICDS - Disclosures & Reporting, ICDS I to IV & IX” - at Eagle Group.

- “Critical Issues in Tax Audit & ICDS I & II” at Professional Forum.
- “Critical Issues in Tax Audit & ICDS” at Jalgaon Branch of WIRC of ICAI

During September 2017, **CA Rajesh Saluja** gave following presentations:

- “Training on GST”, at Adani Persa Mines at Chhatisgarh.
- “Training on Finance Acumen at BSES, Nehru Place
- “Training on GST” at OCCL, Noida
- “Finance for Non Finance” at Bharti Infratel, Guwahati.
- “Finance for Non finance” at HCML, Gurgaon
- “Costing Lev-II” at Maruti Suzuki India Ltd, Gurgaon
- “Finance for Non Finance” for Class India, Chandigarh

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