

December 2017

Lunawat Bulletin

Market Watch

Sensex

30.11.2017: **33149.35**

31.10.2017 : **33213.13**

Nifty

30.11.2017: **10226.35**

31.10.2017 : **10335.30**

GDP growth for September quarter set to bounce back as businesses overcome hiccups

According to a Reuters poll of economists, India's GDP growth rate is likely to pick up in the September quarter, halting a slide as businesses started to overcome teething troubles after the bumpy launch of GST.

The economy also has moved past the disruptions encountered after India's shock ban on high-value banknotes in November 2016, economists say.

For July-September, the poll pegs the expected GDP growth rate at a median of 6.4 per cent. Forecasts ranged from 5.9 per cent to 6.8 per cent.

A 6.4 per cent growth would mark a sound acceleration from 5.7 per cent in April-June, but still lag China's 6.8 per cent and Philippines' 6.9 per cent for the three months through September.

Moody's upgraded India's sovereign credit rating for the first time in nearly 14 years, saying continued progress on economic and institutional reforms would boost its growth potential.

Finance Ministry and Exporters Spar over GST refunds and claims

The revenue department and the exporters are sparring over unpaid refunds and tax credits that have accrued to businesses since GST was implemented in July.

The Finance Ministry put out a release saying that exporters have claimed integrated GST Refunds of Rs 6,500 crore during the first four months of the rollout, while input credit claims added up to Rs 30 crore.

Exporters claimed that the finance ministry had said that Rs 6,500 crore was around 15% of the overall dues to exporters.

"On this basis, the total outstanding refund would be to the tune of Rs 43,000 crore. CBEC has no figure of GST refund due to services exports as the same is not routed through customs or where shipping bill is filed. The quarterly exports of services is to the tune of \$50 billion," said a source.

While the tax department advised exporters to file claims in proper form with matching shipping bills to facilitate early settlements, businesses said that problems with the system were making it tough to comply.

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Lunawat & Co.
Chartered Accountants
www.lunawat.com

**Be thankful for all the difficult people in your life,
for they have shown you exactly who you do not want to be**

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Compliance Due Dates

Due Date	Related to	Particulars
07.12.2017 (Thursday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> • Deposit Tax deducted/collected during the month of November 2017 for all corporate assesseees
15.12.2017 (Friday)	EPF	<ul style="list-style-type: none"> • Deposit PF under Employees Provident Fund & Misc. Provision Act, 1952 deducted for the month of November 2017.
15.12.2017 (Friday)	Income Tax	<ul style="list-style-type: none"> • Last date of payment of third installment of advance tax for the assessment year 2018-19. • Last date of issuing TDS Certificate for Tax Deducted under section 194IA in the month on October 2017.
11.12.2017 (Monday)	GST	<ul style="list-style-type: none"> • Last date of filing GSTR-5.
15.12.2017 (Friday)	ESI	<ul style="list-style-type: none"> • Deposit ESI under Employees State Insurance Act, 1948 deducted for the month of September 2017.
15.12.2017 (Friday)	DVAT	<ul style="list-style-type: none"> • Last date of submitting details of closing stock as held by registered dealers as on 31st March 2017 and 30th June 2017 online
15.12.2017 (Friday)	GST	<ul style="list-style-type: none"> • Last date of filing GSTR-5A for non resident.
20.12.2017 (Wednesday)	GST	<ul style="list-style-type: none"> • Deposit GST collected during the month of November 2017 • Due Date of filing of GSTR-3B for the month of November 2017.
24.12.2017 (Sunday)	GST	<ul style="list-style-type: none"> • Due Date of filing of GSTR-4 from July to September 2017.
27.12.2017 (Wednesday)	GST	<ul style="list-style-type: none"> • Last date of for submitting and revising the declaration in FORM GST TRAN-1
30.12.2017 (Saturday)	Income Tax	<ul style="list-style-type: none"> • Last date of furnishing challan-cum-statement in respect of tax deducted under section 194IA in the month of November 2017.
31.12.2017 (Sunday)	GST	<ul style="list-style-type: none"> • Last date of filing of GSTR-1 from July 2017 to October 2017 for the assessee having turnover more than Rs. 1.50 Crore. • Last date of filing of GSTR-1 from July 2017 to September 2017 for the assessee having turnover upto Rs. 1.50 Crore. • Last date of filing of GSTR-6 for input service distributors. • Last date of submission of details in GST ITC 04
31.12.2017 (Sunday)	DVAT / CST	<ul style="list-style-type: none"> • Last date for filing reconciliation of Central sales against Statutory Forms in Form 9 for FY 2016-17

List of Holidays

DATE	DAY	REGARDING
25-12-2017	Monday	Christmas

Income Tax

CBDT issues clarification on Indirect Transfer Provisions in case of redemption of Share or Interest outside India

CBDT has clarified that the provisions of section 9 (1)(i) of the Act read with Explanation 5 thereof shall not apply to a non resident having income accruing or arising on account of redemption or buy-back of its share or interest held indirectly in the specified funds if such income accrues or arises from or in consequence of transfer of shares or securities held in India by the specified funds and such income is chargeable to tax in India.

However, the above benefit shall be applicable only in those cases where the proceeds of redemption or buyback arising to the non-resident do not exceed the pro-rata share of the non-resident in the total consideration realized by the specified funds from the said transfer of shares or securities in India.

It is further clarified that a non-resident investing directly in the specified funds shall continue to be taxed as per the extant provisions of the Act.

Clarification on Cash Sale by Cultivator of Agricultural Produce

CBDT has clarified that cash sale of the agricultural produce by its cultivator to the trader for an amount less than Rs. 2 Lakh will not:

- Result in any disallowance of expenditure under section 40A (3) of the Act in the case of trader
- Attract prohibition under section 269ST of the Act in the case of the cultivator; and
- Require the cultivator to quote his PAN/ or furnish Form No.60

Meaning thereby that single transaction in excess of Rs. 2 lakhs would be covered u/s 269T even in case of cultivator of agriculture produce.

Other Updates

- CBDT issues instructions to its officers regarding some important issues to be considered while framing scrutiny assessment pertaining to filing of revised / belated returns by assesses post-demonetization.
- CBDT issues instructions to its officers to make due compliances and not make unauthorized expansion of the scope of limited scrutiny cases.
- Central Government by exercising the powers conferred to it by clause (46) of section 10 of the Income Tax Act, 1961 has exempted the specified income of Haryana State Legal Services Authority from tax.
- Central Government by exercising the powers conferred to by clause (46) of section 10 of the Income Tax Act, 1961 has exempted the specified income of Telangana Building and Other Construction Workers Welfare Board from tax.
- CBDT has approved M/s International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) in the category of Scientific Research Association subject to specified conditions for the purpose of section 35(1)(ii) of the Income Tax Act, 1961 read with rules 5C/ 5D from A.Y. 2017-18.
- CBDT has amended the IT Rules to insert Rules 10DA, 10DB & Forms 3CEAA to 3CEAE for international group country to country maintenance of documents and reporting.
- CBDT has issued instructions for processing ITR-2, 3,4,5,6 u/s 143(1) for the applicability of section 143(1)(a)(vi).
- CBDT has issued draft notifications under section 115JG (1) of the Income Tax Act, 1961 in respect of conversion of Indian branch of Foreign bank into Indian Subsidiary company.

Goods And Services Tax

Due Dates for filing GST Returns

Details/ Returns	Tax Period	Revised due date
GSTR-3B	December 2017	20 th January 2018
GSTR-3B	January 2018	20th February 2018
GSTR-3B	February 2018	20th March 2018
GSTR-3B	March 2018	20th April 2018
GSTR-1 (Turnover upto 1.50 Cr.)	October 2017 to December 2017	15th February 2018
GSTR-1 (Turnover upto 1.50 Cr.)	January 2018 to March 2018	30th April 2018
GSTR-1 (Turnover more than 1.50 Cr.)	For tax periods after October 2017	10th of next month

GST Highlights

- CBEC has notified rate for standalone restaurants & for other restaurants and further has reduce the rate of job work on “handicraft goods”.
- CBEC prescribes that the aggregate value of exempt supplies shall exclude the value of supply of services having place of supply in Nepal or Bhutan, against payment in Indian Rupees.
- CBEC prescribes procedure for manual filing and processing of refund claims in respect of zero rated supplies.
- CBEC also prescribes that any person aggrieved by any decision or under this, State, Union Territory GST Act may appeal to higher Authority within limited time.
- Late fee payable for Delayed filing of Form GSTR 3B reduced from October, 2017 onwards, Rs. 20 per day for Nil Returns & Rs. 50 per day in other cases.
- CBEC exempted suppliers of service through an e-commerce platform from obtaining compulsory registration if the amount of Supplies in India exceeds Twenty Lakh Rupees and in case of Special Category states, it is Ten Lakh Rupees
- CBEC exempts all taxpayers from the payment of Advances received in case of supply of goods .
- CBEC brings out some clarification on processed products such as tea (i.e. black tea, white tea etc.), processed coffee beans or powder, pulses (de-husked or split), jaggery, processed spices, processed dry fruits, processed cashew nuts etc fall outside the definition of Agricultural produce and therefore the exemption from GST is not available to their loading packing, warehousing etc.
- GST will also be leviable on inter-state transfer of aircraft engines, parts and accessories for use by their own airlines subject to certain conditions on inputs.
- General Insurance policies provided by a State Government to employees of the State government/ Police personnel, employees of Electricity Department or students of colleges/ private schools etc is not liable to GST
- Services by way of admission to a protected monument so declared under the Ancient Monuments and Archaeological Sites and Remains Act 1958 and other acts has been exempted from GST
- CBEC has implemented Reverse charge on the supplies of agriculturist to any registered person for the item “Raw Cotton”
- CBEC also brought certain amendments in the list of exemption of GST for certain goods like guar meal, Uranium Ore Concentrate, Bangles of lac/ shellac etc.
- CBEC has exempted the goods in excess of amount calculated at the rate of 2.5% when supplied to the institutions specified with respect to certain conditions.
- CBEC also prescribes additional forms for the process of Refund after the Form GST RFD-01.

Ministry Of Corporate Affairs

Companies (Filing of documents and forms in XBRL) Rules

MCA has inserted a separate Annexure-IIA for companies which are required to prepare their financial statements in accordance with Companies (Indian Accounting Standards) Rules, 2015 which shall file the statements using the Taxonomy provided in that Annexure-IIA.

All non-banking financial companies, housing finance companies and companies engaged in the business of banking and insurance sector are continue to be exempted from filing of financial statements under the said Rules.



Other Updates

- MCA has ammended eForm AOC - 4 to capture the disclosure of SBN in notes to accounts and the comments of auditor on it in his auditor report.
- A special Court in Chennai has been made for the purpose of providing speedy trial of offences punishable with imprisonment of two years or more.

Other MCA News

- MCA has identified 18 more shell companies which together deposited Rs. 10000 Cr. Cash Post-demonetization.
- MCA promulgated the ordinance to amend the Insolvency and Bankruptcy Code 2016 to provide safeguards to prevent unscrupulous, undesirable persons from misusing or vitiating the provisions of the Code. The amendments aim to keep-out such persons who have willfully defaulted, are associated with non-performing assets, or are habitually non-compliant and, therefore, are likely to be a risk to successful resolution of insolvency of a company.
- In addition to putting in place restrictions for such persons to participate in the resolution or liquidation process, the Amendment also provides such check by specifying that the Committee of Creditors ensure the viability and feasibility of the resolution plan before approving it.
- The Insolvency and Bankruptcy Board of India (IBBI) has also been given additional powers.

Lunawat Update

Presentations

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

- “*Financial Statements from Banker’s perspective*” at Indian Institute of Banking & Finance at Kolkata.
- “*Practical Implications of LLP & its taxation*” - Delhi” at Nehru Place Study Circle of NIRC of ICAI.
- “*Loans & Deposit under Companies Act 2013*” at CICASA of Ranchi Branch of CIRC of ICAI.
- “*Financial Literacy for Directors*” at Sa-Dhan, Ahmedabad organised by Institute of Directors

- “*Driving Financial Performance*” at Sa-Dhan, Ahmedabad organised by Institute of Directors

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

- “*Financial Planning*” at Hero Motocorp Ltd. at Dharuhera.
- “*Finance for Non Finance*” at BSES, Delhi..
- “*Costing Level II*” at Maruti Suzuki India Ltd. at Gurgaon.

We may be contacted at:

Daryaganj, New Delhi

54, Daryaganj,
New Delhi – 110 002
Tel: +91 11 23270624
+ 91 11 23279414
Email: dgoffice@Lunawat.com

Paschim Vihar, New Delhi

A-2/132, Prateek Apartments,
Paschim Vihar,
New Delhi – 110 063
Tel: + 91 11 25278405
+ 91 11 25278406
+ 91 11 45581263
+ 91 11 45581264
Email: pvoffice@Lunawat.com

Karampura, New Delhi

109, Magnum House-1,
Karampura Complex,
New Delhi-110 015
Tel: + 91 11 41427356
+ 91 11 42068101
Email: karampura@Lunawat.com

Mumbai

Office No. 9, First Floor. Star Trade Centre,
Chamunda Circle, Near Station,
Borivali (W), Mumbai - 400 092
Tel: + 91 22 28954451
Email: mumbai@Lunawat.com

Keshopur, New Delhi

WZ-339, 2nd Floor,
Street No. 19,
Santgarh, Keshopur,
Outer Ring Road,
New Delhi - 110 018
Tel: +91 11 28333914
Fax: + 91 11 28331602
Email: keshopur@Lunawat.com

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Editorial Team: CA. Vikas Yadav, CA Rahul Modi, Gautam Ahuja, Monika, Mayank Jain