

# Lunawat Bulletin

## Market Watch

### Sensex

29.12.2017: 34056.83

30.11.2017 : 33149.35

### Nifty

29.12.2017: 10530.70

30.11.2017 : 10226.35

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**Lunawat & Co.**  
Chartered Accountants  
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## RCom buyout spells synergy benefits, big savings for Reliance Jio

Mukesh Ambani-led Reliance Jio Infocomm is likely to harvest synergy gains, reduced operating expenses and higher savings in tower rentals with the acquisition of the wireless telecom assets of Reliance Communications (RCom), which surged to a 52-week intraday high on Friday. Sources have pegged the Jio-RCom all-cash deal size at roughly Rs 24,000 crore, which will help the Anil Ambani company repay part of its Rs 45,000 crore debt. While the two companies didn't specify the deal value, analysts said Jio possibly paid a fair value for RCom's wireless infrastructure assets, which they estimate are worth between Rs 24,000 crore and Rs 29,000 crore.

US brokerage Jefferies said spectrum would form the bulk of the estimated fair value at Rs 15,000 crore, with towers (Rs 7,000-9,000 crore) and optic fibre cable (Rs 3,000-5,000 crore) making up the rest. Experts see RIL-owned Jio saving on tower rentals going forward. As one of the largest tenants of RCom's towers, they estimate Jio currently pays Rs 1,500-1,600 crore as annual rental.

## Finance Ministry asks PSBs to rationalise overseas, domestic branches

The finance ministry has asked public sector banks to look at rationalising their domestic and overseas branches as part of the reform process to strengthen their financials. The banks have been advised to pursue closure of loss making domestic and international branches as part of capital saving exercise, official sources said. Many banks, including State Bank of India (SBI) and Punjab National Bank (PNB), have already taken initiative. Besides, Indian Overseas Bank has rationalised the number of regional offices in the country by reducing 10 regional offices from existing 59 with an objective of optimum utilisation of resources and reduction in administrative costs.

With regard to overseas branches, the ministry has asked the lenders to discuss consolidation and take a final call on closing some unviable operations. The ministry is of the view that there is no need of multiple banks in a single country, sources said, adding that banks can explore a single subsidiary formed with five-six banks coming together for conserving capital and realising economy of scale. Besides the subsidiary model, public sector banks are also looking to close down branches or selling off subsidiaries to focus on markets that give them maximum returns. As part of the rationalisation strategy, PNB is exploring possibility of selling a stake in its UK subsidiary PNB International. Bank of Baroda and SBI are also examining the issue of consolidation. Bank of Baroda has presence across 24 countries through 107 branches/offices. It has 59 branches in 15 countries, while 47 branches operate through Bank's 8 Overseas subsidiaries.



## Compliance Due Dates

| Due Date                  | Related to                      | Particulars  |
|---------------------------|---------------------------------|--|
| 07.01.2018<br>(Sunday)    | <b>TDS/TCS<br/>(Income Tax)</b> | <ul style="list-style-type: none"> <li>Deposit TDS Deducted during the month of December 2017.</li> </ul>  |
| 10.01.2018<br>(Wednesday) | <b>GST</b>                      | <ul style="list-style-type: none"> <li>Last date of filing of GSTR-1 upto the month of November for assessee having turnover more than Rs. 1.50 Cr.</li> <li>Last date of filing of GSTR-1 upto the month of September for assessee having turnover upto Rs. 1.50 Cr.</li> </ul>   |
| 15.01.2018<br>(Monday)    | <b>TDS/TCS<br/>(Income Tax)</b> | <ul style="list-style-type: none"> <li>Uploading the quarterly statement via Form 15CC, in respect of foreign remittances, for quarter ending December 2017.</li> <li>Quarterly statement of TCS for the quarter ending December 2017.</li> <li>Upload declarations received from recipients in Form 15G/15H for the quarter ending December 2017</li> </ul> |
| 15.01.2018<br>(Monday)    | <b>ESI/EPF</b>                  | <ul style="list-style-type: none"> <li><b>Deposit ESI</b> under Employees State Insurance Act, 1948 and EPF under Employees Provident Fund &amp; Misc. Provision Act, 1952 deducted for the month of December 2017</li> </ul>  |
| 18.01.2018<br>(Thursday)  | <b>GST</b>                      | <ul style="list-style-type: none"> <li>File GSTR - 4 for quarter ending December 2017 by composition dealers</li> </ul>  |
| 20.01.2018<br>(Saturday)  | <b>GST</b>                      | <ul style="list-style-type: none"> <li>Deposit GST collected for the month of December 2017.</li> <li>Last date of filing GSTR-3B For the month of December 2017.</li> </ul>   |
| 30.01.2018<br>(Tuesday)   | <b>TDS/TCS<br/>(Income Tax)</b> | <ul style="list-style-type: none"> <li>Issue quarterly TCS certificate for the quarter ending December 2017.</li> </ul>  |
| 31.01.2018<br>(Wednesday) | <b>TDS/TCS<br/>(Income Tax)</b> | <ul style="list-style-type: none"> <li>Quarterly return of non-deduction at source by banking company from interest on deposit in respect of quarter ending December 2017.</li> <li>Quarterly statement of tax deducted for the quarter ending December 2017.</li> </ul>   |
| 31.01.2018<br>(Wednesday) | <b>GST</b>                      | <ul style="list-style-type: none"> <li>Last date of filing of GSTR-5 for non-residents.</li> <li>Last date of filing of GSTR-5A for persons supplying OIDAR</li> <li>Last date of filing of Form GST ITC-01.</li> </ul>  |

## List of Holidays

| DATE              | DAY           | REGARDING              |
|-------------------|---------------|------------------------|
| <b>14.01.2018</b> | <b>Sunday</b> | <b>Makar Sakranti</b>  |
| <b>22.01.2018</b> | <b>Monday</b> | <b>Basant Panchami</b> |
| <b>26.01.2018</b> | <b>Friday</b> | <b>Republic Day</b>    |

## Income Tax

### **CBDT issues instructions to its officers to restrict unauthorised expansion of scope of Limited Scrutiny**

CBDT has issued detailed guidelines/ directions for completion of cases of limited scrutiny selected through CASS module. These guidelines postulate that an Assessing Officer, in limited scrutiny cases, cannot travel beyond the issues for which the case was selected. The Idea behind such stipulations was to enforce checks and balance upon powers of an AO to do fishing and roving inquiries in cases selected for limited scrutiny.

### **CBDT issues instructions to its officers to consider important issues pertaining to filing of revised or belated returns post-demonetization while framing scrutiny assessments**

In course of Assessment Proceedings, situations where enquiries suggest manipulation made merely to build an explanation for cash deposits in bank account(s), the revised returns itself becomes questionable and therefore, the transactions disclosed in it which are over and above the original return are liable to be taxed under anti-abuse provisions of the Act.

Similarly, in case of belated return, it would be crucial to examine the trend and business practices of a particular assessee while ascertaining the legitimacy of transactions disclosed.

CBDT also mentioned some instances which might indicate assessee had filed revised or belated return merely as cover up to explain the cash deposits in bank accounts.



### **CBDT Amends Rule 127 Reg Mode Of Service Of Notices, Orders & Other Communications by Dept to assessee**

As per the notification issued by the CBDT In the Income Tax Rules, 1962, in rule 127, in sub-rule (2), after the first proviso , second proviso has inserted stating addresses (specified in said notification) to which communication shall be delivered or transmitted if communication cannot be delivered or transmitted to address mentioned in first proviso.

### **Exemption of Certain Income to Special Economic Zone Authority and Himachal Pradesh Computerization of Police Society**

As per notification issued by CBDT , it has exempted certain Income arising to SEZ and Himachal Pradesh Computerization of Police Society .

## GST and Customs

### Due Dates for filing GST Returns

| Details / Returns                                    | Tax Period  | Revised due date   |
|--|---|--------------------|
| GSTR-1   | <ul style="list-style-type: none"> <li>November 2017 (for assessee having turnover more than Rs. 1.50 Cr.)</li> <li>September 2017 (for assessee having turnover upto Rs. 1.50 Cr)</li> </ul> | 10th 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 (Assessee having turnover upto 1.50 Cr.)      | October 2017 to December 2017   | 15th February 2018 |
| GSTR-1 (Assessee having turnover upto 1.50 Cr.)      | January 2018 to March 2018  | 30th April 2018    |
| GSTR-1 (Assessee having turnover more than 1.50 Cr.) | December 2017   | 10th February 2018 |
| GSTR-1 (Assessee having turnover more than 1.50 Cr.) | January 2018  | 10th March 2018    |
| GSTR-1 (Assessee having turnover more than 1.50 Cr.) | February 2018   | 10th April 2018    |
| GSTR-1 (Assessee having turnover more than 1.50 Cr.) | March 2018  | 10th May 2018      |

### Customs

- CBEC has imposed 30% BCD on import of Chana (Chickpeas) and Masoor (Lentils).
- CBEC has exempted following items from the levy of Custom Duty:
  - All goods other than Digital video Recorder (DVR/ Network Video Recorder (NVR)
  - All goods other than CCTV Camera/IP camera
  - All goods other than Smart Meter
  - All goods other than LED lamps
- Tax rate on LCD (Liquid Crystal Display), LED (Light Emitting Diode) or OLED (Organic LED) panels for manufacture of Television was substituted from NIL to 7.5%.
- CBEC has removed Petroleum Coke from the definition of Exempted Goods.

# GST

Goods &  
Services  
Tax



### Other GST Highlights

- CBEC has notified 01st February 2018, date from which the E-way bill rules will come into force.
- CBEC waived off the late fee payable for failure to furnish the return in Form GSTR-4.

## Ministry Of Corporate Affairs

### Condonation of Delay Scheme, 2018

The Central Government has introduced a scheme namely "Condonation of Delay Scheme 2018"[CODS-2018].

The scheme shall be into force with effect from 01.01.2018 and shall remain in force up to 31.03.2018. This scheme is applicable to all defaulting companies (Other than the companies which have been struck off or which names have been removed from the registrar of companies' u/s 248(5) of Companies Act, 2013.

A defaulting company is permitted to file its overdue documents which were due for filing till 30.06.2017 in accordance with this scheme .

The DIN de-activated of the directors shall be temporarily activated during this period scheme. The overdue documents have to be filed along with additional fee.

After filing the overdue forms an application for condonation is to be filed in Form e-CODS 2018 along with a fee of Rs. 30000/- by 31st March 2018

DIN of the directors of defaulting company shall be deactivated again after the scheme if they do not avail of the CODS 2018.



### Companies (Cost records and Audit) Second Amendment Rules, 2017

As per the notification dated 20.12.2017, Companies (Cost records and Audit) Rules, 2014 shall have the following amendments:

- "Customs Tariff Act Heading" means the heading as referred to in the Additional Notes in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)'.
- The words "Central Excise Tariff Act heading", occurring at both the places, the words "Customs Tariff Act Heading" shall be substituted.
- In Form cRA-2, Form CRA-3 and Form.CRA-4, for the words "CTA Heading", wherever it occurs, the words "CTA Heading" shall be substituted .



**YOUR MIND IS A WEAPON,  
KEEP IT LOADED.**



## Lunawat Update

### Presentations

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

- “Taxation of Gifts & Share Premium u/s 56 of Income Tax Act 1961” at Vikas Marg CA Study Circle of NIRC of ICAI.
- “Recent issues of Shell Companies under Companies Act & IT Act” at North Campus Study Circle of NIRC
- “Financial Statements from Banker’s perspective” at Indian Institute of Banking & Finance, Delhi.
- “Prevention of Corporate fraud and Risk Management” at Institute of Directors, New Delhi.
- “Driving Financial Performance” at Institute of Directors, New Delhi
- “Taxability of Gifts & Share Capital under IT Act” at Ghaziabad Branch of CIRC of ICAI
- “Taxability of Gifts & Share Capital under IT Act” at South Delhi CA Study Circle of NIRC of ICAI
- “Financial Literacy for Directors” at Institute of Directors, New Delhi

- “Recent issues of Shell Companies under Companies Act & IT Act” at Jalandhar Branch of NIRC of ICAI
- “Taxation of Gifts & Share Premium u/s 56 of Income Tax Act 1961” at Jalandhar Branch of NIRC of ICAI.
- “Taxability of Gifts & Share Capital under IT Act, Shell Companies, etc” at Pusa Road CPE Study Circle of NIRC of ICAI
- “Shell Companies, Director Disqualification, CODS 2018, Strike-Off Companies under Companies Act & IT Act” at Vikas Marg CA Study Circle of NIRC of ICAI

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

- “Financial Acumen” at MSIL Gurgaon.
- “GST” at Mother Dairy Fruits & Vegetables Pvt Ltd., Noida.
- Training for “Costing Level I” at MSIL Gurgaon.
- “Finance for Non-finance” at Aricent Technology Ltd., Gurgaon

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