

MAY 2018

Lunawat Bulletin

Market Watch

Sensex

30.04.2018 35160.36

31.03.2018 32968.68

Nifty

30.04.2018 10739.40

31.03.2018 10114.00

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Bank union to RBI gov: Protect consumers from hidden charges

The All India Bank Employees' Association (AIBEA) in a memorandum to Reserve Bank of India (RBI) Governor Urjit Patel sought action on protecting bank customers against unfair practices such as one-sided loan agreements, miss-selling of products and hidden charges levied by banks.

In the memorandum, AIBEA has sought limiting of liability in an unauthorised digital banking transaction and bank account portability to improve customer experience.

RBI first actively considered the portability idea in July 2017 where deputy governor SS Mundra at a banking ombudsman conference asked banks to work towards account number portability wherein customers would be able to silently walk out from one institution to another, in case of any dissatisfaction with services.

Govt. mops up Rs 1.5 lakh crore additional tax, to chase 65 lakh non-filers

The Union government's drive towards higher compliance has already helped it garner additional Rs 1.5 lakh crore in direct taxes during 2017-18 and get a record number of new filers. But it is not done yet with the tax department chasing 65 lakh people who it suspects did not file returns last year as it hopes to expand the taxpayer base to over 9.3 crore.

The taxpayer base includes those who file returns in addition to those with tax deducted at source (TDS), tax collected at source (TCS), advance tax payments, self-assessment tax and dividend distribution tax during the previous three financial years. The efforts, including text messages and email campaigns, have helped the government expand the taxpayer base with the authorities expecting an addition of over 1.5 crore new entities during 2017-18 and expanding the base, net of exits by over 12 per cent.

GST compliance gets better but far from desired level; FY18 collections at Rs 7.41 lakh cr

Compliance level has got better since the implementation of the new indirect tax system from July 1, it is far from its desired level.

For instance, only 27.2 lakh or close to 37 percent of assesses filed return in August 2017, out of 73.7 lakh eligible taxpayers, data released by the finance ministry showed. Compliance rate under Goods and Services Tax (GST) was around 50.29 percent and 56.58 percent in September and October, respectively.

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Compliance Due Dates

Due Date	Related to	Particulars
07.05.2018 (Monday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> • Deposit TDS/TCS for deductions/collections made during the month of April 2018.
10.05.2018 (Thursday)	GST	<ul style="list-style-type: none"> • File GSTR 1 for the month of March 2018 for assesses having Turnover exceeding Rs. 1.5 Crores or opted to file monthly Return.
15.05.2018 (Tuesday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> • Issue TDS Certificate for tax deducted under Section 194-IA in the month of February, 2018. • Issue TDS Certificate for tax deducted under Section 194-IB in the month of February, 2018. • Submit TCS returns for Quarter ended March 2018.
15.05.2018 (Tuesday)	Provident Fund	<ul style="list-style-type: none"> • Deposit PF contributions for April. 2018.
15.05.2018 (Tuesday)	ESI	<ul style="list-style-type: none"> • Deposit ESIC for the month of April 2018.
20.05.2018 (Sunday)	GST	<ul style="list-style-type: none"> • File GSTR 3B for the month of April 2018.
30.05.2018 (Wednesday)	LLP	<ul style="list-style-type: none"> • File Annual Return of Limited Liability Partnership in Form 11 with the Registrar of Companies for FY 2017-18
30.05.2018 Wednesday	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> • Issue TCS certificate for tax collected for the quarter ended March 2018 in Form 27D • Furnish statement by non-resident u/s 285 in Form 49C having liaison office in India for FY 2017-18 • Due date for furnishing of challah-cum-statement in respect of TDS u/s 194-IA in Form 26QB in the month of April, 2018 . • Due date for furnishing of challah-cum-statement in respect of TDS u/s 194-IB in Form 26C in the month of April, 2018 .
31.05.2018 (Thursday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> • File Quarterly statement of TDS deposited for the quarter ending March 31, 2018. • Issue TDS certificates in Form 16 / Form 12BA for salaries paid during FY 2017-18 • Return of TDS from contributions paid by the trustees of an approved superannuation fund • Furnish annual statement of financial transactions (SFT) u/s 285BA(1) in Form 61A for FY 2017-18 • Furnish annual statement of reportable accounts u/s 285BA(1)(k) for calendar year 2017 in Form 61B
31.05.2018 (Thursday)	GST	<ul style="list-style-type: none"> • File GSTR-6 for the month of July 2017 to April 2018 . • File GSTR 1 upto the month of April 2018 for assessee having turnover exceeding Rs. 1.5Cr.

Income Tax

CBDT prescribes procedure for registration and submission of following

- Form 61B (Statement of Reportable Account) as per section 285BA of Income-tax Act, 1961 read with Rule 114G of Income-tax Rules, 1962.
- Form 61A (statement of financial transactions (SFT)) as per section 285BA of Income-tax Act, 1961 read with Rule 114E of Income-tax Rules, 1962.
- Form 61 as per Rule 114D by required persons who have received Form 60.
- Form 60 electronically by a person who does not have PAN and who enters into any transactions specified in Rule 114B

Amendment in PAN Forms 49A and 49AA

CBDT amended the column 4 of gender in PAN forms 49A and 49AA by adding additional option of Transgender.

After Rap By President Kovind, CBDT Warns Sr. Officers Against Harassment, Misconduct & High-Handedness of Hapless

The CBDT has issued a sternly worded directive dated 16th April 2018 stating that a number of complaints are being received in the Tax Payer Services Directorate regarding harassment, misconduct and high handedness of Officers and staff. It is stated that such incidents damage the image and reputation of the Income Tax Department and dent the efforts of the Department to position it as a service oriented organization. All officers and staff have been instructed to deal with the public not only with administrative efficiency but also with the requisite soft skills. It is stated that the behaviour needs to be impeccable not only in the performance of their official duties but also decorous outside the office.

CBDT amend Income Tax Rules 2BB to omit Transport allowance of employees of Rs. 1600 per month to give effect to Finance Act 2018 standard deduction of employees of Rs. 40000/-



CBDT to Plug Loopholes in Taxation of Non-Resident High Net Worth

The CBDT has issued an office order dated 3rd April 2018 in which it is noted that there is a trend of High Net Worth Individuals (HNWIs) migrating from their country of residence to other jurisdictions. It is stated that such HNWIs pose a substantial tax risk since they may treat themselves as non-residents for taxation purposes in the first jurisdiction even though they may have strong personal and economic ties with that jurisdiction. For examining the taxation aspects of such High Net worth Individuals, the CBDT has constituted a Working Group of high-ranking officials.

Ministry of Finance clarifies requirement for obtaining PAN card u/s 139A of IT Act, 1961 eased for corporate assesses

Requirement of issuing PAN in the form of a laminated card has been removed. Hence, it is clarified that PAN and TAN mentioned in the COI issued by MCA shall also be treated as sufficient proof of PAN and TAN for the said company assesses.

CBDT Stipulates Tight Time Frame for AOs & CIT (A) in Central Action Plan

The CBDT has issued a document titled the "Central Action Plan" in which time limits have been prescribed for various activities to be done by the AOs and CIT(A) in the first quarter (April 2018 to June 2018) of FY 2018-19. The CBDT has inter alia stipulated that disposal of assessments in at least 25 cases (20 in International Taxation cases) per Assessing Officer of limited scrutiny, set-aside assessment, reopened assessment u/s 147 and OCM scrutiny must be done by 30th June 2018. Similar time limits are stipulated for replying to Audit Objections, TDS collection/ reconciliation, Investigation Units, International Taxation, Transfer Pricing Units and LTUs. CIT (Appeals) have been directed to ensure disposal of pending appeals through ITBA- starting from the oldest year to the year following and so on, so as to attain a total disposal of 150 appeals of less than Rs.10 lakh per CIT (A). The time limit for this 30th June 2018.

Income Tax

Ministry of Finance provide clarification on standard deduction of Rs. 40,000 is available to pension employer

The Central Board of Direct Taxes (CBDT) has clarified that the pension received by a taxpayer from his former employer is taxable under the head "Salaries". The Finance Act, 2018 has amended Section 16 of the Income-tax Act, 1961("the Act") to provide that a taxpayer having income chargeable under the head "Salaries" shall be allowed a deduction of Rs 40,000/- or the amount of salary, whichever is less, for computing his taxable income. Accordingly, any taxpayer who is in receipt of pension from his former employer shall be entitled to claim a deduction of Rs 40,000/- or the amount of pension, whichever is less, under Section 16 of the Act.



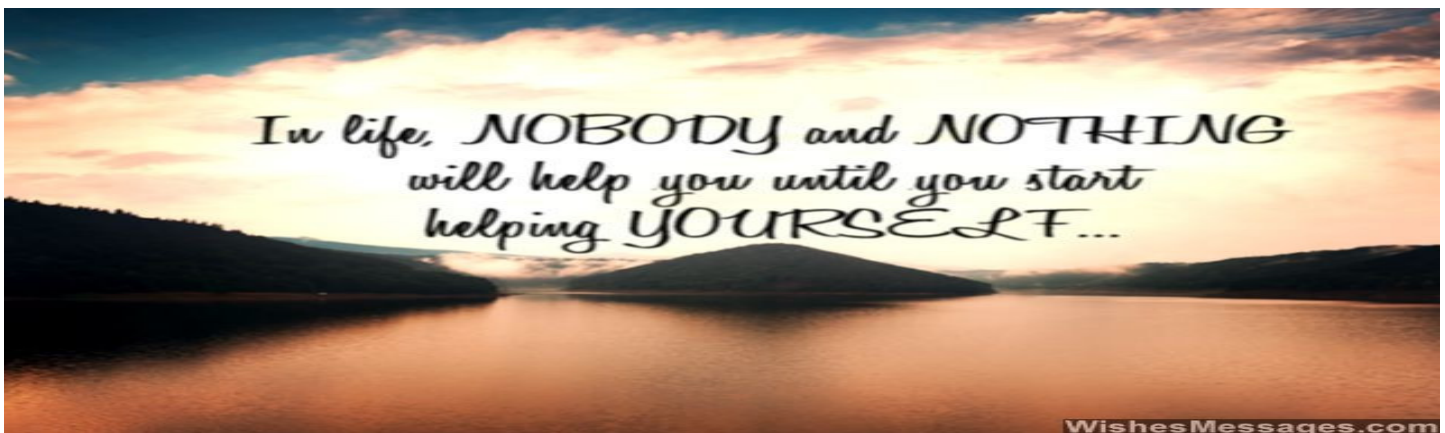
GST Highlights

- **Application of refund :-**

In the case of refund on account of inverted duty structure, refund of input tax credit shall be granted as per the following formula:-

Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services) x Net ITC ÷ Adjusted Total Turnover} - tax payable on such inverted rated supply of goods and services.

- In **FORM ITC-03** (Declaration for intimation of ITC reversal/payment of tax on inputs held in stock, inputs contained in semi-finished and finished goods held in stock and capital goods)
After Entry 5(e) i.e. **Capital goods held in stock (where invoice not available)**, the instruction "Value of Capital goods shall be the invoice value reduced by five percentage points per quarter of a year or part thereof from the date of invoice" is now substituted by this "**The value of capital goods shall be the invoice value reduced by 1/60th per month or part thereof from the date of invoice**"
- After the **FORM GSTR -8**(Details furnished by the e-Commerce operator), **FORM GSTR -10**(Final Return) shall be inserted.
- In **FORM GST DRC-07**(Summary of the Order) shall be inserted. Such order is issued by the Proper Officer after considering the representation provided in FORM GST DRC-06.



Ministry Of Corporate Affairs

Companies (Share Capital and Debentures) Amendment Rules, 2018

In exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013, the Central Government hereby makes the following rules further to amend the Companies (Share Capital and Debentures) Rules, 2014

These rules may be called the Companies (Share Capital and Debentures) Amendment Rules, 2018.

Explanation :-

- In case of an One Person Company, it shall be sufficient if the certificate is signed by a director and the company secretary or any other person authorized by the Board for the purpose.
- A director shall be deemed to have signed the share certificate if his signature is printed thereon as facsimile signature by means of any machine, equipment or other mechanical means such as engraving in metal or lithography or digitally signed, but not by means of rubber stamp

Condonation of Delay Scheme, 2018.

In continuation to the Ministry's General Circular No. 16/2017 dated 29/12/2017 and General Circular No. 02/2018 dated 28.03.2018 on the subject cited above and to state that the closing date of the scheme viz. 30.04.2018 is falling under gazette holiday on account of 'Budh Purnima', therefore, this Ministry has decided to give one day extension of the said scheme i.e. up to 01.05.2018.



Relaxation of additional fees and extension of last date of filing of AOC-4

In continuation to the Ministry's General Circular No. 13/2017 dated 26/10/2017 and General Circular No. 01/2018 dated 28.03.2018

It has been decided to extend the last date for filing of AOC-4 XBRL for eligible companies required to prepare voluntarily prepare their financial statement in accordance with companies (Indian Accounting Standards) Rules, 2015 for financial year 2016-17, without additional fee till 31st May, 2018

Others notifications

- In exercise of power conferred by sub section (6) of section 129 of the companies Act, 2013, the central government, in the interest of public, in the opening paragraph, the word "for seven years" shall be omitted.
- In exercise the power conferred by sub section (1) of section 435 of co. Act 2013, the central government, with the concurrence of the chief justice of high court of Allahabad hereby designated 9th court of additional district and sessions judge, Kanpur nagar (state of uttar Pradesh.)

Customs Highlights

- Notification No. 50/2017 Customs dated 30.06.2017 amended so as to maintain effective rate of BCD on Whey, concentrated, evaporated or condensed, liquid or semi-solid (0404 10 10) and Other Whey (0404 90 00) at 30%.
- Tariff rate of basic customs duty (BCD) increased on tariff items covered under tariff sub head 0404 10 i.e. Whey and modified Whey, whether or not concentrated or containing added sugar or other sweetening matter, and under tariff item 0404 90 00 i.e. Other Whey from present 30% to 40% by invoking section 8A (1) of the Customs Tariff Act, 1975.
- Notification No. 25/2005-Customs dated 01.03.2005 further amended so as to withdraw exemption from BCD on Camera Module and Connectors, of cellular mobile phones and impose 10% BCD on them.
- Notification Nos. 11/2018-Customs, 12/2018-Customs, 13/2018-Customs and 21/2018-Customs, all dated 2nd February 2018 amended.

Lunawat Update

Presentations

During April 2018, our partner **CA. Pramod Jain** gave following presentations:

- “Financial Statements from Banker's perspective - IIBF ” at Indian Institute of Banking & Finance, Delhi.
- “Changes in ITR for AY 2018-19, Taxation of Gifts & Share Capital, Immovable Property & strike-off companies “ at Rohini CPE Study Circle of NIRC of ICAI
- “ICDS Overview, ICDS 1, 2 & 4 - NIRC “ at NIRC of ICAI .
- “Changes in ITR for AY 2018-19, Taxation of Gifts & Share Capital, Immovable Property & strike-off companies “ at Shastri Nagar CPE Study Circle of NIRC of ICAI.

- “Loans & Deposits & Audit Reports” at Pusa Road CPE Study Circle of NIRC of ICAI

During April 2018, our partner **CA. Rajesh Saluja** gave following presentations: .

- “Financial Planning” at HMCL Dharuhera.
- “Financial Acumen training ” at MSIL.
- “Shared Latest amendments in GST” at BVSS Meeting.
- “Retirement Planning training” at HMCL Dharuhera.
- “GST Presentation” at Shastri Nagar Study Circle.

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- **Trade Marks**

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