

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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Rs. 20000 Crore GST Refund is pending with government

As much as Rs 20,000 crore is pending with the government on account of GST (Goods and Services Tax) refund, creating liquidity crisis for exporters. The delay in refund is mainly impacting small exporters who provide jobs in labour intensive sectors.

Liquidity is a major area of concern particularly for MSME exporters who constitute the bulk of exports in high employment intensive sectors. The challenges on GST front are continuing though the fortnight clearance drive, which was highly successful, gave us the hope that refund will be provided on real time basis. While claims of over Rs 7,000 crore were cleared in March, the amount in April is little over Rs 1,000 crore. "As per the estimate, refund of over Rs 20,000 crore are pending on account of IGST (integrated GST) and ITC (input tax credit) and many exporters have not been able to file the refund of ITC due to technical glitches as input tax credit and exports happened in different months.

The GST refund process has considerably "slowed down" and the federation has urged the Finance Minister to look into the refund problem and organise a clearance drive to liquidate the pendency and bring the refund process on track. Majority of the problems, relate to ITC refund which have to be done by the states as well.

Q4 GDP growth seen at 7.1%: FICCI survey

India's GDP growth is expected at 7.1 per cent for the January-March quarter of the last fiscal and 6.6 % for the entire 2017-18, as per industry body FICCI. The Central Statistics Office (CSO) is scheduled to release GDP numbers for the fourth quarter as well as the 2017-18 fiscal on May 31.

The GDP growth in the third quarter (October-December 2017-18) is seen at 7.2 per cent, and for the entire last fiscal (2017-18), it is projected at 6.6 per cent at constant prices. as per CSO data. FICCI's Economic Outlook Survey, based on opinion of economists, projects the annual economic growth for 2018-19 at 7.4 per cent with a minimum and maximum of 6.9 per cent and 7.5 per cent, respectively.

The chamber's survey further said that "some concerns" are visible on external front with median current account deficit forecast pegged at 2.1 per cent of GDP for 2018-19. The surge in oil prices has emerged as a major risk factor and can weigh down heavy on India's external position and overall growth prospects. .



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Compliance Due Dates

Due Date	Related to	Particulars
07.06.2018 (Thursday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Due date for deposit of Tax deducted/collected for the month of May, 2018.
10.06.2018 (Sunday)	GST	<ul style="list-style-type: none"> File GSTR 1 for the month of May 2018 for assesses having Turnover exceeding Rs. 1.5 Crores or opted to file monthly Return.
14.06.2018 (Thursday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Issue TDS Certificate for tax deducted under Section 194-IA in the month of April, 2018. Issue TDS Certificate for tax deducted under Section 194-IB in the month of April, 2018.
15.06.2018 (Friday)	ADVANCE TAX (Income Tax)	<ul style="list-style-type: none"> Deposit First installment of Advance Tax 15% for the F.Y. 2018-19 (All Assesses except those covered under section 44AD/ 44ADA) in Challan No. ITNS-280.
15.06.2018 (Friday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Certificate of tax deducted at source to employees in respect of salary paid and tax deducted during 2017-18. Quarterly TDS certificates (in respect of tax deducted for payments other than salary) for the quarter ending March 31, 2018
15.06.2018 (Friday)	Provident Fund	<ul style="list-style-type: none"> Deposit PF contributions for May 2018.
15.06.2018 (Friday)	ESI	<ul style="list-style-type: none"> Deposit ESIC for the month of May 2018.
20.06.2018 (Wednesday)	GST	<ul style="list-style-type: none"> GSTR 3B for the month of May 2018.
30.06.2018 (Saturday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Due date for furnishing of challah-cum-statement in respect of tax deducted under Section 194-IA & 194 in the month of May, 2018 . Due date for furnishing of challah-cum-statement in respect of tax deducted under Section 194-IB in the month of May, 2018 .
30.06.2018 (Saturday)	TDS (Income Tax)	<ul style="list-style-type: none"> Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending March 31, 2018.
30.06.2018 (Saturday)	STT	<ul style="list-style-type: none"> Furnish return of taxable securities transactions (STT) entered into during financial year 2017-2018.
30.06.2018 (Saturday)	GST	<ul style="list-style-type: none"> TRAN -2 for availing credit of stock held on 30 June 2017 without possession of invoice for the period July 2017 to Dec 2017.

List of Holidays

DATE	DAY	REGARDING
16.06.2018	Saturday	Idu'l Fitr

Income Tax

CBDT Directs Setting up of ‘High Court Cell’ to Monitor Delays in filing Appeals To High Court & SLPs in Supreme Court

The CBDT has issued a directive dated 28th May 2018 in which it is stated that the delay in non-removal/delay in removal of defects in pending appeals before the Hon’ble High Courts and delay in filing of SLPs in the Hon’ble Supreme Court is a matter of great concern for the Board. It is stated that in many cases Departmental appeals pending before High Courts have been dismissed due to delay in removing of defects as pointed out by the Registry of the High Court. Similarly, Supreme Court has been taking a serious view of the delay in filing of the SLPs. The Attorney General of India has expressed concern to the Hon’ble Finance Minister regarding enormous delay in filing of SLPs. The CBDT has pointed out that the functioning of the High

ITAT Bar objects to ITAT Registrar acting as “Court” and Causing Hardship to Taxpayers

The ITAT Bar Association has taken strong objection to the actions of the Registrar of the ITAT of acting as a “Court” and arrogating to himself, inter alia, the power to condone delay in filing appeals. The Registrar’s office is insisting that even routine issues like clearing procedural defects in appeals should be handled as “judicial proceedings” with a formal hearing. It is stated that such actions are not only contrary to the statutory provisions but are causing enormous hardship to taxpayers. The Bar has requested the Hon’ble President to abrogate the unlawful practice with immediate effect

Start-ups exempted from issue of share price in excess of face value-CBDT

Exemption of levy of Income tax on share premium under section 56 of the Act, if Consideration has been received by eligible start-ups i.e. consideration received for issue of shares from an investor in accordance with the approval granted by the Inter-Ministerial Board of Certification under clause (i) of sub-para (3) of para 4 of the notification number G.S.R. 364(E), dated 11th April, 2018.

CBDT directs Dedication of Fortnight for Appeal Effect and Redressing Public Grievances

The CBDT has issued a directive dated 7th May 2018 stating that the delay in giving appeal effect and passing rectification orders is the biggest source of grievance against the Department. It is pointed out that such delays also adversely affect the performance of the Department as the infructuous demand remains stuck in appeal orders and rectification petitions till these are disposed of by the assessing officer. With a view to expeditiously dispose off the appeal effect and rectification claims of the taxpayers, the CBDT has directed that the first fortnight of June, 2018 should be dedicated for attending to the pending claims in these areas

The Agreement between the Government of the Republic of India and the Government of the State of Kuwait for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income has amended.

CBDT amends Rule 11UA to not allow Chartered Accountant to do valuation as per DCF method in case of issue of shares.

Customs Act

1. Increased basic customs duty (BCD) on shelled Almonds from Rs.65/Kg to Rs.100/Kg
2. Increased basic customs duty (BCD) on wheat [from present 20% to 30%.
3. Increased basic customs duty (BCD) on Protein concentrates from 10% to 40%.
4. Increased tariff rate of basic customs duty (BCD) on Walnuts in shell from 30% to 100% and increase tariff rate of basic customs duty (BCD) on Protein concentrates and textured protein substances from 30% to 40% by invoking section 8A (1) of the Customs Tariff Act, 1975.
5. Imposed definitive anti-dumping duty on imports of 'Saturated Fatty Alcohols originating in, or exported from Indonesia, Malaysia and Thailand.
6. Imposed definitive anti-dumping duty on imports of "Ceramic Rollers", originating in or exported from People's Republic of China.
7. Extends the levy of anti-dumping duty, imposed on imports of Peroxosulphates (Persulphate) originating in or exported from China PR under Notification No. 11/2013 -Customs (ADD), dated the 16.05.2013 for a further period of one year (i.e. 14.05.2019).

Goods & Service Tax

CG waives late fee for Form GSTR 3B

The Central Government, on the recommendations of the Council, hereby waives the late fee payable for failure to furnish the return in FORM GSTR-3B by the due date for each of the months from October, 2017 to April, 2018, for the class of registered persons whose declaration in FORM GST TRAN-1 was submitted but not filed on the common portal on or before the 27th day of December, 2017 provided declaration in FORM GST TRAN-1 shall be filed on or before 10th May, 2018 and Form GSTR-3B for each of such months, on or before the 31st May, 2018.

Notification for levy of Priority Sector Lending Certificate (PSLC) under Reverse Charge Mechanism (RCM)

Any registered person engaged in supply of Priority Sector Lending Certificate (PSLC) to any other registered person then tax shall be paid on such supply on reverse charge basis by recipient.

E way bill operations are compulsory for intra-state movement of goods

E-way bill are compulsorily required to be generated where the movement of goods commences and terminates within the Union Territory of Lakshadweep, Daman & Diu, Dadra & Nagar Haveli, Chandigarh, Andaman & Nicobar Island from 25th May, 2018



Miscellaneous

1. Insolvency & bankruptcy Code

Insolvency and Bankruptcy Board of India (Form of Annual Statement of Accounts) Rules, 2018. & Insolvency and Bankruptcy Board of India (Annual Report) Rules, 2018.

2. SEBI

Securities and Exchange Board Of India (Listing Obligations and Disclosures Requirements) Regulations 2015 amended with respect to various important definitions and other requirements.

Ministry of Corporate Affairs

Amendment related to Independent Directors Qualification

MCA amends Companies (Appointment and Qualification of Directors) Rules, 2014 for restricting relatives of independent directors to be indebted, give guarantee, etc to Company, holding, etc to Company, holding, etc for amount of Rs. 50 Lakhs for Section 149(6)(d)(ii)&(iii).

Amendment related to OPC - Share Certificates

MCA amends Companies (Share Capital and Debentures) Rules, 2014 to allow one Director to sign share certificate in case of OPC and making affixing of Common Seal optional.

Definition of Total Share Capital deleted

MCA removes the definition of total share capital for definition of subsidiary and associate company by omitting Rule 2 (1)(r) from Companies (Specification of Definitions Details) Rules, 2014

Annual Ratification of Auditors in AGM not required now

MCA amends Companies (Audit and Auditors) Rules, 2014 to effect no requirement of annual ratification of Auditors at AGM .

Ministry Of Corporate Affairs

Directors allowed to attend Board meeting through Video Conference, if physical quorum present

MCA amends Companies (Meetings of Board and its Powers) Rules, 2014 for allowing Directors to participate through video conference if physical quorum there, allowing Board to give loans, etc u/s 186 within limits approved at Special resolution u/s 186(3), etc.

Additional Fee of Rs. 100/- per day on delay in filing AOC 4 & MGT 7 applicable w.e.f. 1st July 2018

MCA amends Companies (Registration Offices and Fees) Rules, 2014 to give effect to amended 403 – Additional fee for AOC-4 & MGT-7 w.e.f. 1st July 2018 – Rs.100 per day

Other Amendments

- MCA amends Companies (Prospectus and Allotment of Securities) Rules, 2014 to omit Rules 3to 6 related to prospectus.
- MCA clarifies that Strike-Off Companies can avail of CODS 2018 only if the application for revival with NCLT were filed during the period of validity of CODS Scheme
- MCA issues corrigendum to Companies (Audit and Auditors) Second Amendment Rules, 2018
- MCA designates Special Court in UP for trial of Company Law offences
- MCA clarifies while spending on CSR preference is to be given to local areas and areas around it where it operates

Companies Amendment Act, 2017 certain sections enforceable w.e.f. 7th May 2018

MCA makes few more Sections of Companies (Amendment) Act, 2017 applicable w.e.f. 7th May, 2018 including non requirement of auditors ratification, DIR-11 optional, Section 185 substitution, Section 186 amendment, etc.



सत्यमेव जयते

Ministry of Corporate Affairs
Government Of India

The way to get started is to
quit talking and start doing.

Walt Disney

quote fancy

Lunawat Update

Presentations

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

- “Corporate Financial Statements from Bankers Perspective ” at China Trust Commercial Bank .
- “Financial Statements from Banker’s perspective “ at Indian Institute Of Banking & Finance.
- “Changes in ITR for AY 2018-19, Taxation of Gifts & Share Capital, Immovable Property & strike-off companies“ at Nehru Place Study Circle of NIRC of ICAI , Advocate Forum , Sirsa Branch of NIRC of ICAI & South Delhi CA Study Circle
- “SFT (Form 61A), Changes in ITR for AY 2018-19, & Taxation of Gifts, Strike-off companies” at Shivaji Marg CPE Study Circle and Dwarka CPE Study Circle of NIRC
- “ICDS Overview, ICDS 1 & 2” at NIRC of ICAI
- “ICDS Overview, ICDS 1 to 5 & 9” at Gurugram Branch of NIRC

- “Critical issues in Companies (Amendment) Act, 2017” at Vikas Marg
- “Specified Financial Transactions (SFT, Form 61A), Changes in ITR” at Professional Forum.

Presentations

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

- “Financial Accumen” at Maruti Suzuki India Limited, Gurugram.
- “Costing Level 2” at Maruti Suzuki India Limited, Gurugram.
- “Financial Accumen” at Maruti Suzuki India Limited, Kolkata
- “Financial Accumen” at Aricent Gurugram.

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- **Audit and Assurance**
- **International Taxation**
- **Indian Direct Tax Laws**
- **Goods and Service tax (GST)**
- **Corporate Laws**
- **Limited Liability Partnership (LLP)**
- **NGOs/Societies and Trusts**
- **Insolvency Professionals**
- **Compliance Audits**
- **Investigations**
- **Outsourcing Services**
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- **Valuations**
- **XBRL**
- **Trade Marks**

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