

August 2018

Lunawat Bulletin

Market Watch

Sensex

31.07.2018 **37606.58**

30.06.2018 **35423.48**

Nifty

31.07.2018 **11356.50**

30.06.2018 **10714.30**

Biggest stock market crash coming soon! Morgan Stanley warns about largest sell-off since Feb 2018



As such, risks to the July stock rally are building, and with peaking growth rates and extended positioning, the three-day slide that started Thursday will only get worse, Morgan Stanley analysts said.

NCLT allows merger of LLP, Private Companies

The NCLT held that the intent of these legislations is to facilitate 'ease of doing business' and to 'create a desirable business atmosphere,' and hence it would be wrong to presume that a merger of an Indian LLP with an Indian company NSE 0.41 % is prohibited

Legislative intent behind enacting both LLP 2008 and Companies Act 2013 is to facilitate the ease of doing business and create a desirable business atmosphere for companies and LLP," the bench observed, adding that for this purpose, both the acts have provided provisions for merger or amalgamation of two or more LLPs and companies.

GST move could discourage honest taxpayers as government moves to simplify GST returns filing

Small taxpayers, with turnover up to Rs 5 crore in the last financial year, can file the quarterly return with monthly payment of taxes on the self-declaration basis.

Govt unveils draft GST Returns forms, seeks Public Comments



"In month one and two of the quarter, such taxpayer shall report NIL transaction by sending an SMS. Facility for filing quarterly return shall also be available by an SMS," the Central Board of Indirect Taxes and Customs (CBIC) said while unveiling the draft returns forms

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Compliance Due Dates

Due Date	Related to	Particulars
07.08.2018 (Tuesday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Due date for deposit of Tax deducted/collected for the month of July, 2018.
10.08.2018 (Friday)	GST	<ul style="list-style-type: none"> File GSTR 1 for the month of July 2018 for assesses having Turnover exceeding Rs. 1.5 Crores or opted to file monthly Return.
14.08.2018 (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 June, 2018. Issue TDS Certificate for tax deducted under Section 194-IB in the month of June, 2018.
15.08.2018 (Wednesday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Quarterly TDS certificates (in respect of tax deducted for payments other than salary) for the quarter ending June 30, 2018 Due date for furnishing of Form 24G by an office of the Government where TDS for the month of July, 2018 has been paid without the production of a challan.
15.08.2018 (Wednesday)	Provident Fund	<ul style="list-style-type: none"> Deposit PF contributions for July 2018.
15.08.2018 (Wednesday)	ESI	<ul style="list-style-type: none"> Deposit ESIC for the month of July 2018.
20.08.2018 (Monday)	GST	<ul style="list-style-type: none"> File GSTR 3B for the month of July 2018. File GSTR-5A for the month of July 2018
30.08.2018 (Thursday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA for the month of July, 2018. Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IB for the month of July, 2018.
31.08.2018 (Friday)	Income Tax	<ul style="list-style-type: none"> Submit Return of Income-Tax for the assessment year 2018-19 for assesses other than those assesses who are required to get their accounts audited under any statute.
31.08.2018 (Friday)	Company Law	<ul style="list-style-type: none"> All persons having Director Identification No. (DIN) have to submit the verified Form DIR -3 KYC.

LIST OF HOLIDAYS

DATE	DAY	REGARDING
15.08.2018	Wednesday	Independence Day

Income Tax

CBDT Warns AOs to Adhere to Time Limits for Issue of TDS Certificates u/s 195 & 197

The CBDT has directed AOs that the aforesaid time-limit of 30 days stipulated in the Citizens Charter for issue of TDS certificates must be adhered to scrupulously. It is made clear that any delay without valid reasons will be viewed seriously and the CIT concerned will be held accountable.

CBDT to Discipline “Least Performing” CIT(A)s

The CBDT has issued a directive to the PCIT seeking details of the “least performing” CIT(A). It is not specified as to what constitutes “least performing”. Presumably, the reference is to the number of appeals disposed of by the Ld CIT(A) vis-à-vis the targets and achievement. Presumably, the defaulting CIT(A) will be subject to disciplinary action.

Tax Department Will Provide World Class Services To Taxpayers And Rise To New Heights Of Glory: CBDT Chairman

Hon'ble Sushil Chandra, the Chairman of the CBDT, has addressed a letter dated 24th July 2018, in which he has stated that the Income-tax department has transformed itself from an enforcement agency to a citizen-centric organization, ready to adopt new technology and innovations in line with international best practices. He has pointed that the department has continued to focus on and expand its taxpayer services as it endeavors to provide “world class services to taxpayers”. He has called upon all officials to work with “the same zeal, integrity, competence and dedication” as they have done in the past and take the Department to “even greater heights of glory”.

CBDT amends Form 3CD- several changes made including 269ST, 56(2)(x), 2(22)(e), GST Expenditure etc. will be applicable w.e.f. 20th August 2018.



CBDT Press Release on Low Tax Effect Appeals: Limits for filing Dept Appeals raised Substantially

In order to reduce the long pending grievances of taxpayers and to minimize litigations pertaining to tax matters and to facilitate the Ease of Doing Business, Government of India has decided to increase the threshold monetary limits for filing Departmental Appeals at various levels, be it Appellate Tribunals, High Courts and the Supreme Court in the following manner

Appeal Fora	Present limit for filing appeal (In Rs.)	Enhanced limit (In Rs.)
ITAT / CESTAT	10 lakhs	20 lakhs
High Courts	20 lakhs	50 lakhs
Supreme Court	25 lakhs	1 Crore

This is a major step in the direction of litigation management of both direct and indirect taxes as it will effectively reduce minor litigations and help the Department to focus on high value litigations

CBDT Appoints Top Counsel to Argue International Tax & Transfer Pricing Matters at Generous Fees

The CBDT has issued an order dated 2nd July 2018 by which it has appointed special counsels to represent the Income-tax department in cases relating to International Tax & Transfer Pricing before various judicial fora at Delhi, Bengaluru and Mumbai. The Special Counsel are entitled to appearance fees, conference fees and fees for drafting written submissions etc. They are also entitled to reimbursement of Air Expenses (Executive Class) and lodging & boarding expenses.

Customs Act

- CG exempts the IGST, leviable, as in excess of the amount calculated over and above the value at which Ministry of Chemical and Fertilizers/ Department of Fertilizers sells urea, to Fertilizer Marketing Entities.
- To amend the Levy of Fees (Customs Documents) Regulations, 1970 to provide that no fees shall be levied under these regulations in respect of an export manifest when the manifest is amended or supplemented with entries relating to the Shipping bills filed from 1st July, 2017 to 30th June, 2018 in Inland Container Depots.”
- The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, amended and superseded earlier) from the date of publication of this notification in the official Gazette and shall be payable in Indian currency

Goods & Service Tax



- CBIC allows Refund of accumulated credit on account of inverted duty structure to fabric manufacturers. The refund of accumulated input tax credit lying unutilised in balance, after payment of tax for and upto the month of July, 2018 in respect of goods relating to fabrics, on the inward supplies received up to the 31st July 2018 shall be allowed w.e.f. 27th July, 2018.
- Services by way of any activity in relation to a function entrusted to a municipality under Article 243W shall be treated neither as a supply of good nor a service.
- Services supplied by individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm to bank or non-banking financial company (NBFCs) to be taxed under Reverse Charge Mechanism (RCM).
- Government has decreased GST Rate or exempt some specified Goods and Services.
- The time limit for furnishing the return by an Input Service Distributor in FORM GSTR-6 for the months of July, 2017 to August, 2018 till the 30th September, 2018 from 31st July 2018.
- CBIC amends list of goods exempt from GST to give effect to the on the recommendation of the GST council.
- “Director General of Safeguards” is now renamed as “Director General of Anti-profiteering”.

**Your positive action
combined with positive
thinking results in success.**

Shiv Khera

Ministry Of Corporate Affairs



MCA Notifications

- MCA introduces annual verification of persons having DIN through providing NIL fee for filing DIR-3-KYC by 31st August 2018 for year ended 31st March 2018 and for other years till 30th April of every financial year. Fee in case of delay - Rs. 5000/-
- The Government shall, deactivate the Director Identification Number (DIN), of an individual who does not intimate his particulars in e-form DIR-3-KYC within stipulated time. The deactivated DIN shall be re-activated only after e-form DIR-3-KYC is filed along with fee of Rs. 5000/-.
- MCA amends Companies (Authorised to Register) Rules related to conversion of LLP, Firm, Society, Trust into Company and also to replace Form URC -1 & URC - 2 w.e.f. 15th August 2018.
- A company or charge holder shall within a period of three hundred days from the date of the payment or satisfaction in full of any charge, give intimation of the same to the Registrar in Form No.CHG-4 along with the fee instead of 30 days..
- MCA amends Companies (Acceptance of Deposit) Rules 2014 w.e.f. 15th August 2018 to provide for Certificate from Statutory Auditor to be attached to DPT 1 and few other changes

- MCA amends company incorporation Rules to give effect to removal of requirement of affidavit for incorporation of company and defining resident in India
- 2 more sections (related to removal of affidavit requirement on incorporation & registered office intimation days changed from 15 to 30) of Companies (Amendment) Act 2017 made effective from 27th July 2018

RBI

- All agency banks were advised to submit their agency commission claims to the Reserve Bank of India within 90 days from the end of the quarter during which the transactions have been conducted.
- That the name of the purchaser be incorporated on the face of the demand draft, pay order, banker's cheque, etc., by the issuing bank w.e.f September 15, 2018.
- In order to facilitate SPDs to provide comprehensive services to their FPI clients, it has been decided to permit them to offer foreign exchange products to their FPI clients, as permitted by the Bank from time to time. Such activities shall be part of their non-core activities.
- The Statement on Developmental and Regulatory Policies, by the Reserve Bank proposed to liberalise the eligible participant base and relax the entity wise limits for transactions in the "When Issued" (WI) market in Central Government Securities
- Securities issued by each state government, i.e., State Development Loans (SDLs), shall be valued in a manner which would objectively reflect their fair value based on observed prices/yields.
- Financial Benchmarks India Pvt. Ltd. (FBIL) shall make available prices for valuation of SDLs based on the above principles with effect from September 30, 2018 which should be used for valuation of SDLs from that date.

Presentations

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

- “*Finalization of Financial Statement for FY 2017-18*” at Ludhiana Branch of NIRC of ICAI .
- “*Financial Statements from Banker’s Perspective*” at Indian Institute of Banking & Finance .
- “*Section 56 & Presumptive Taxation*” at Professional Forum & Tax Bar Association .
- “*Critical Issues In Finalization of Financial Statements*” for FY 2017-18 at Kanpur CA Society at its RRC .
- “*Tax Audit & ICDS*” at Dehradun Branch of CIRC of ICAI.
- “*Critical Issues In ICDS*” at Amritsar Branch of NIRC of ICAI .
- “*Changes in ITR and Related Amendments*” at Faridabad Income Tax Bar Association.

- “*Significant Beneficial Ownership, Changes In ITR & Companies (Amendment) Act 2017*” at West Delhi Study Circle of NIRC of ICAI.
- “*Taxation of LLP*” at District Centre Janakpuri CPE Study Circle of NIRC of ICAI

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

- “*Financial Acumen*” at Maruti Suzuki Ltd, Gurugram .
- Training in Houston US on “*Financial Reports and IFRS*” .
- “*Finance for Non Finance*” at BSES Rajdhani Nehru Place.

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