

Lunawat Bulletin

Market Watch

Sensex

31.01.2019 **36256.69**

31.12.2018 **36068.33**

Nifty

31.01.2019 **10830.95**

31.12.2018 **10862.55**

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India to become \$5 trillion economy in 5 years , \$10 trillion in 8 years thereafter

Presenting the Budget 2019-20 in the Lok Sabha, Goyal also said the past five years of Prime Minister Narendra Modi-led government have witnessed a wave of next-generation structural reforms, which have set the stage for decades of high growth. He further said India is the fastest-growing major economy in the world and that the GDP growth in the past 5 years had been higher than under any previous governments. Stating that India is solidly back on track and marching towards growth and prosperity, he said the last five years have seen India being universally recognised as a bright spot of the global economy.

GST mop-up rises to Rs. 1.02 lakh crore in January

GST collections in January rose to Rs 1.02 lakh crore the second highest monthly mop-up after April, the finance ministry said on February 2. This is a significant increase from the collection of Rs 94,725 crore in December 2018, and 14 percent higher than January 2018 collection of Rs 89,825 crore. The total number of sales return or GSTR-3B filed for the month of December up to January 31, 2019 is 73.3 lakh. The total gross GST revenue collected in January 2019 is Rs 1,02,503 crore of which Central GST is Rs 17,763 crore, State GST (SGST) is Rs 24,826 crore, Integrated GST (IGST) is Rs 51,225 crore and Cess is Rs 8,690 crore," the ministry said in a statement.



After leak bomb, Bibek Debroy says govt to conduct new survey to show enough job creation

Days after a government report that indicated four decade-high unemployment rate in FY18, Prime Minister's Economic Advisory Council chief Bibek Debroy said new national sample survey on employment would be conducted by the government. Finance Minister Piyush Goyal said in the budget speech said that if the economy is doing well, jobs are also getting created.

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Compliance Due Dates

Due Date	Related to	Particulars
07.02.2019 (Thursday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> • Deposit Tax deducted/collected during the month of January 2019 for all corporate assessees.
10.02.2019 (Sunday)	GST	<ul style="list-style-type: none"> • GSTR-8 for E-Commerce operator for January 2019.
11.02.2019 (Monday)	GST	<ul style="list-style-type: none"> • Last date of filing GSTR-1(Persons having Aggregate Turnover more than Rs 1.5 crore).
13.02.2019 (Wednesday)	GST	<ul style="list-style-type: none"> • GSTR-6 for Input Service Distributor of January 2019
14.02.2019 (Thursday)	TDS (Income Tax)	<ul style="list-style-type: none"> • Due date for issue of TDS Certificate for tax deducted under Section-IB in the month of December, 2018.
15.02.2019 (Friday)	TDS (Income Tax)	<ul style="list-style-type: none"> • Due date for furnishing of Form 24G by an office of the Government where TDS for the month of January 2019 has been paid without the production of a challan .
15.02.2019 (Friday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> • Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for quarter ending December 31, 2018.
20.02.2019 Wednesday	GST	<ul style="list-style-type: none"> • Last date of filing GSTR-3B for January 2019
20.02.2019 Wednesday	GST	<ul style="list-style-type: none"> • Due Date of filing of GSTR-5 & 5A for the month of January 2019.(to be filed by the Non-Resident taxable person & OIDAR)
28.02.2019 (Thursday)	GST	<ul style="list-style-type: none"> • GSTR-7 For the months of October,2018 to December,2018

Income Tax

CBDT issue Circular Reg Implications U/s 56(2)(viiia) For Issue Of Shares

CBDT issued a Circular stating that the view, was taken in circular no. 10/2018 [subsequently withdrawn by circular no. 02/2019] that section 56(2)(viiia) of the Act would not apply to fresh issuance of shares, would not be a correct approach, as it could be subject to abuse and would be contrary to the express provisions and the legislative intent of section 56(2)(viiia) or similar provisions contained in section 56(2) of the Act.

Therefore, any view expressed by the Board in Circular No. 10/2018 shall be considered to have never been expressed and accordingly, the said circular shall not be taken into account by any Income-tax authority in any proceedings under the Act.



CBDT Directive Reg Withdrawal Of Low Tax Effect Appeals As Per Circular No. 3 Of 2018

CBDT issued directive Regarding withdrawal of low tax effect appeals that immediate efforts are to be made to arrange personal meetings with senior officials of registry of ITAT and High Court so that the appeal withdrawal process is completed quickly. Entire exercise of withdrawal of appeals must conclude by January end and withdrawal figures intimated to the Board on email at cit.aj.cbdt@incometax.gov.in latest by 31st January, 2019 in the format prescribed.

CBDT Chief Announces Eight Strategies To Enhance Recovery Of Taxes

The Hon'ble Sushil Chandra, the Chairman of the CBDT, has addressed a communique dated 4th January 2019 to the Principal CsIT in which he has pointed that the growth in collection of taxes is "extremely low" and that this is a matter of serious concern. The learned Chairman has formulated eight clear-cut strategies and directed that concerted efforts have to be made to drive up recovery from arrear and current demand.

Notification Reg Angel Tax Relief U/s 56(2)(viib)

The Department of Industrial Policy and Promotion (DIPP) has issued a Notification dated 16th January 2019 to deal with the controversial issue of tax exemption u/s 56(2)(viib) to angel financiers.

Customs

Prescribe effective BCD rate on Electric Vehicle (EV) and their specified part and raw material for manufacture of Lithium ion cells as per notification no. 03/2019-Custom dated 29-01-2019.



Corporate Law

- MCA appoints 30th January 2019 as the date to repeal Companies Act 1956.
- ICAI issues clarification regarding rotation of auditors when company ceases to fall under the ambit of rotation principles in subsequent years .
- MCA amends Deposits Return Form DPT 3 and makes it mandatory for all companies accepting monies which are deposits or not deposits as per rule 2(1)(c) also all such companies to file one time DPT 3 for the period 1.4.2014 to 22.1.2019.
- Company Rules amended to provide that mandatory materialization of shares by unlisted public companies is not applicable to a Nidhi, Government Company and a Wholly owned Subsidiary.
- MCA notifies Specified Companies (Furnishing of information about payment to Micro and small enterprise _suppliers) Order 2019 for filing half-yearly MSME Form 1 by Specified Companies.
- MCA amends NCLT Rules to file documents and objects to RD for consolidation and division of share capital.
- THE COMPANIES (AMENDMENT) ORDINANCE, 2019 Promulgated by the President in the Sixty-ninth Year of the Republic of India. An Ordinance further to amend the Companies Act, 2013.
- Form INC.20A for Declaration for commencement of business, shall be filed by all the Companies incorporated on or after 2nd November, 2018, within 180 days from the date of its incorporation .

RBI

- To facilitate meaningful restructuring of MSME accounts, it has been decided to permit a one-time restructuring of existing loans to MSMEs classified as ‘standard’ without a downgrade in the asset classification.
- Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Payment Transactions in Prepaid Payment Instruments (PPIs) issued by Authorised Non-banks.
- To improve safety and security of card transactions, Reserve Bank of India had permitted card networks for tokenisation in card transactions for a specific use case.
- Exclusion of “SBM Bank (Mauritius) Ltd.” from the Second Schedule of the Reserve Bank of India Act, 1934.
- It has been decided by the Government of India to include merchant exporters also, w.e.f. January 2, 2019, under the ongoing Interest Equalisation Scheme for Pre and Post Shipment Rupee Export Credit and allow them interest equalisation at the rate of 3% on credit for export of products covered under 416 tariff lines identified under the Scheme.
- It has been decided, in consultation with the Government of India, to rationalise the extant framework for ECB and Rupee Denominated Bonds in light of the experience gained to improve the ease of doing business.
- It is necessary to provide for a mechanism of Ombudsman for redressal of complaints against deficiency in services related to digital transactions, hereby directs that, the System Participants defined under the Ombudsman Scheme for Digital Transactions, 2019 shall come within the ambit, and should comply with the provisions of the Ombudsman Scheme for Digital Transactions, 2019.

GST

CGST and IGST (Amendment) Act, 2018 and GST (Compensation to States) Amendment Act, 2018

As per notification no. 02/2019 – Central Tax and notification no. 01/2019 – Integrated Tax dated 29th January, 2019, Government hereby appoints the **1st day of February, 2019**, as the date on which the provisions of the **Central Goods and Services Tax (Amendment) Act, 2018** (31 of 2018), except clause (b) of section 8, section 17, section 18, clause (a) of section 20, sub-clause (i) of clause (b) and sub-clause (i) of clause (c) of section 28, **Integrated Goods and Services Tax (Amendment) Act, 2018** (32 of 2018) and **Goods and Services Tax (Compensation to States) Amendment Act, 2018** (34 of 2018) shall come into force.

Extend the due date for furnishing of FORM GSTR – 7(TDS)

Commissioner extend the due date for furnishing of FORM GSTR-7 by notification no. 07/2019-Central Tax dated 31st January, 2019 for the months of **October, 2018 to December, 2018** till **28.02.2019** from 31.01.2019.

Exempt supplies made by Government Departments and PSUs to other Government Departments and vice-versa from TDS

Notification No.73/2018 – Central Tax dated 31st December, 2018 specify that Section 51(Tax Deducted at Source) under CGST Act, 2017 shall apply to the supply of goods or services or both which takes place between one person to another person specified under clauses (a), (b), (c) and (d) of sub-section (1) of section 51.

Fully waive the amount of late fees on delayed furnishing of FORM GSTR-1, FORM GSTR-3B & FORM GSTR-4 for the period July, 2017 to September, 2018

As per notification no. 75/2018 – Central Tax, 76/2018 -Central Tax and 77/2018-Central Tax dated 31st December, 2018 provide that amount of late fee payable shall waived for the registered persons who failed to furnish the details of outward supplies in FORM GSTR -1, FORM GSTR-3B & FORM GSTR-4 for the months/quarters from **July, 2017 to September, 2018** by the due date but furnishes the return between the period from **22nd December, 2018 to 31st March, 2019**.

Extend the due date for furnishing FORM ITC-04 for the period from July, 2017 to December, 2018 till 31.03.2019.

As per notification no. 78/2018-Central Tax Commissioner, hereby extends the time limit for furnishing the declaration in FORM GST ITC-04 of the said rules, in respect of goods dispatched to a job worker or received from a job worker, during the period from **July, 2017 to December, 2018** till the **31st day of March, 2019**.

Amend the meaning of Advance Authorisation (Deemed Exports)

Government amend the meaning of Advance Authorisation as follows under deemed exports supplies:
Supply of goods by a registered person against Advance Authorisation; Provided that goods so supplied, when exports have already been made after availing input tax credit on inputs used in manufacture of such exports, shall be used in manufacture and supply of taxable goods (other than nil rated or fully exempted goods) and a certificate to this effect from a chartered accountant is submitted to the jurisdictional commissioner of GST within 6 months of such supply.

Presentations

During January 2019, **CA Pramod Jain** gave following presentations:

- ‘Deemed Gifts and Valuation of issue & transfer of shares’ at:
 - Ludhiana Branch of NIRC of ICAI
 - Jalandhar Branch of NIRC of ICAI
 - Faridabad Branch of NIRC of ICAI
 - Netaji Subhash Place CPE Study Circle of NIRC of ICAI
 - North Ex CA Study Circle of NIRC of ICAI .
- ‘Specific issues in Personal Taxation’ at Vidyut Study Circle of NIRC of ICAI .
- ‘Quality Review Board’ at Alaknanda Community Centre organised by Alaknanda & Greater Kailash CPE Study Circle of NIRC of ICAI .
- ‘Taxation of Real Estate Transactions’ at Shalimar Bagh CPE Study Circle of NIRC of ICAI .

- ‘DPT-3 and MSME Compliance’ at West Delhi Study Circle (WDSC) of NIRC of ICAI
- ‘Recent Amendments in Companies Act’ at Laxmi Nagar CPE Study Circle of NIRC of ICAI
- ‘Recent Amendments in Companies Act 2013, DPT-3 & MSME Compliance’ at East Delhi Study Circle of NIRC of ICAI

During January 2019, **CA Rajesh Saluja** gave following presentations:

- “Financial Acumen” at Adani Enterprise Ltd.
- “Costing Level I & II” at MSIL, Gurgaon
- “Escorts Dealer Development Program” at Hyatt Hotel
- “GST Latest Amendments” at WDSC
- “GST of Real Estate transactions” at Shalimar Bagh, Study

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