

Lunawat Bulletin

Market Watch

Sensex

28.02.2019 **35867.44**

31.01.2019 **36256.69**

Nifty

28.02.2019 **10792.50**

31.01.2019 **10830.95**

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RBI removes Allahabad Bank, Corporation Bank, Dhanlaxmi Bank from PCA

The Reserve Bank of India has taken off Allahabad Bank, Corporation Bank and Dhanlaxmi Bank from the Prompt Corrective Action framework allowing them to resume their normal lending activities. The Board for Financial Supervision (BFS) met on Tuesday to review the performance of banks under PCA and noted that the government has infused fresh capital into various banks including some of the banks currently under the PCA framework. RBI will continuously monitor the performance of these banks under various parameters, the RBI stated. Earlier, the RBI had taken out Bank of India, Bank of Maharashtra and Oriental Bank of Commerce (OBC) out of PCA.

Working closely with India poll panel to address issues in real-time: Colin Crowell

Twitter is collaborating closely with the Election Commission of India to help address issues such as political bias and manipulation on its platform in real-time, Colin Crowell, Global Vice President of Public Policy of Twitter, said here on Tuesday.

“We are working with the poll panel very closely and have established a protocol and mechanism for them to reach out to us when they need to. We have a dedicated global team that is cross-functional and prepared to address manipulation in the run-up to Lok Sabha elections,” elaborated Crowell.

The parliamentary panel, headed by BJP MP Anurag Thakur, on Monday told Twitter to “engage more” with Election Commission officials and ensure “real-time compliance” with the guidelines concerning free and fair elections.

GST cut to boost sales of under-construction flats; no input tax credit may hit builders' profit margin: Moody's

The GST Council had on Sunday decided to cut goods and services tax (GST) rate on affordable homes to 1 percent without input tax credit (ITC) from earlier 8 percent with ITC. The GST on under-construction flats, which is not under the affordable housing segment, has been reduced to 5 percent without ITC from earlier 12 percent with ITC.



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Compliance Due Dates

| Due Date | Related to | Particulars |
|---------------------------|---------------------------------|---|
| 02.03.2019 (Saturday) | Income Tax | • Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of January, 2019 |
| 07.03.2019 (Thursday) | TDS/TCS (Income Tax) | • Deposit Tax deducted/collected during the month of January 2019 for all corporate assesseees. |
| 10.03.2019 (Sunday) | GST | • GSTR-7 for taxable persons who are required to deduct TDS (Tax Deducted at Source) under GST for February 2019. |
| 11.03.2019 (Monday) | GST | • Last date of filing GSTR-1(Persons having Aggregate Turnover more than Rs 1.5 crore). |
| 13.03.2019 (Wednesday) | GST | • GSTR-6 for Input Service Distributor of February 2019 |
| 15.03.2019 (Friday) | TDS (Income Tax) | • Due date for furnishing of Form 24G by an office of the Government where TDS for the month of February 2019 has been paid without the production of a challan . |
| 15.03.2019 (Friday) | Income Tax | • Fourth instalment of Advance Tax for the assessment year 2019-20 |
| 17.03.2019 (Sunday) | TDS (Income Tax) | • Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of January, 2019 |
| 20.03.2019 (Wednesday) | GST | • Last date of filing GSTR-3B for February 2019 |
| 20.03.2019 (Wednesday) | GST | • Due Date of filing of GSTR-5 & 5A for the month of February 2019 (To be filed by the Non-Resident taxable person & OIDAR) |
| 30.03.2019 (Saturday) | TDS (Income Tax) | • Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of February, 2019 |
| 31.03.2019 (Sunday) | Income Tax | • Due date for linking of Aadhaar number with PAN . |
| 31.03.2019 (Sunday) | GST | • ITC-04 for Input credit on job work for the period July17 to Dec 18. |

List Of Holidays

| DATE | DAY | REGARDING |
|------------|----------|-----------|
| 21.03.2019 | Thursday | Holi |

Income Tax

CBDT Directive Reg S. 143(1)(a) Prima facie Adjustments For AY 2017-18

The Directorate of Income-tax (System) has issued a directive dated 20.02.2019 on the subject of processing of Return of AY 2017-18 and issue of notice for prima facie adjustment under 143(1)(a). It is pointed out that with effect from AY 2017-18 amendments have been done in the Act with regard to processing of cases under 143(1). Provision of section 143(1D) has been amended, as per which all the returns are required to be processed. Section 241A allowing withholding of refund determined u/s 143(1) in cases where notice u/s 143(2) is issued is also introduced. It is further stated that provision of 143(1)(a) was amended w.e.f 01.04.2017 as per which certain adjustments on income of loss submitted by assessee in ITR are allowed. As per the proviso to the section, no such adjustment is allowed unless notice for such adjustment is given to the assessee. The assessee is allowed to submit response within a period of 30 days of issue of notice.

AOs Should Appear Before CsIT(A) & Properly Defend ‘Quality Assessment Orders’: CBDT

The CBDT has issued a directive dated 14th February 2019 in which it has stated that all assessment orders which are marked as “quality orders” should be duly represented before the CIT(A) by the department and properly defended with verbal and written submissions. The CBDT has stipulated a clear-cut SOP on the subject .

CBDT To Examine ‘Perverse’ Orders Of ITAT And Evaluate Performance Of Counsel

The CBDT has directed the formation of a committee consisting of high-ranking officials who will inter alia examine “perverse and irregular” orders of the ITAT and cases where the submissions of the DRs have not been recorded by the ITAT. These will be taken up by the CBDT with the President, ITAT/ Ministry of Law. The CBDT has also called for information relating to the performance of standing counsel as to the number of cases decided in favour of, and against, the department.

CBDT Turns Heat On 100s Of Donors Who Claimed Deduction U/s 35(1)(ii) In Bogus Donation Racket

The CBDT has launched a crackdown on 100s of alleged unscrupulous assesseees who claimed deduction u/s 35(1)(ii) by making donations to alleged bogus institutions. The CBDT has provided a list of the donors and directed that in order to curb the blatant misuse of the beneficial provision, appropriate remedial action with respect to the donors should be initiated by the AOs.

Unregulated Deposits Banned

According to a press release, the ‘Unregulated Deposit Schemes Ordinance, 2019’ is expected to immediately tackle the menace of illicit deposit taking activities in the country launched by rapacious operators, which at present are exploiting regulatory gaps and lack of strict administrative measures to dupe poor and gullible people of their hard-earned savings, by altogether banning unregulated deposit taking schemes, and having adequate provisions for punishment and disgorgement / repayment of deposits in cases where such schemes nonetheless manage to raise deposits illegally.



Corporate Law

- MCA prescribes filing Fee of Rs. 10000 for filing e-Form-ACTIVE w.e.f. 26.4.2019 .
- MCA inserts Rule 25A in Companies (Incorporation) Rules making every company incorporated before 31.12.2017 to file e Form-Active by 25.4.2019 without fee. Fee thereafter Rs. 10000
- MCA extends due date of filing MSME Form 1 to 30 days from deployment of the Form on MCA website
- MCA amends PAS 3 to remove requirement of declaring that application size per person is not below Rs. 20000
- MCA amends Companies (Adjudication of Penalties) Rules providing procedure and timelines for online adjudication - Penalty can't be levied below minimum amount prescribed
- MCA amends the Companies (Significant Beneficial Owners) Rules 2018 .



Custom

- CG notified that in case temporary importation of aircrafts, for the purposes of participation in Aero Show organised by the Central Government, the importer shall not be required to furnish a bank guarantee or cash deposit.
- All goods originating in or exported from the Islamic Republic of Pakistan import duty increased to 200%.
- CG postpone the implementation of increased customs duty on specified imports originating in USA from 2nd March, 2019 to 1st April, 2019.

RBI

- The Bank had constituted a Committee on Currency Movement (CCM) [Chair: Shri D.K. Mohanty, Executive Director] to review the entire gamut of security of treasure in transit.
- If applications received from a NGO, NPO, Body/ Agency/Department of a foreign Government for opening of a branch office/liaison office/project office or any other place of business in India are to be forwarded to the Reserve Bank for prior approval and be considered in consultation with the Government of India. It is advised that if such an entity is engaged, partly or wholly, in any of the activities covered under Foreign Contribution (Regulation) Act, 2010 (FCRA), **it shall obtain a certificate of registration under the said Act and shall not seek permission under FEMA 22 (R).**
- It has been decided to merge the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called **NBFC - Investment and Credit Company (NBFC-ICC).**
- It has been decided to **withdraw** the provision that no FPI shall have an exposure of more than 20% of its corporate bond portfolio to a single corporate .
- It has been decided that exposures to all NBFCs, excluding Core Investment Companies (CICs), will be risk weighted as per the ratings assigned by the rating agencies registered with SEBI and accredited by the Reserve Bank of India .
- **MSME Sector-Restructuring of Advance** -It is clarified that the eligibility for restructuring without GST-registration, should be determined on the basis of exemption limit obtaining as on January 1, 2019.
- The Definition of **Bulk Deposit** is revised to provide operational freedom to banks in raising these deposits as : Single Rupee term deposits of **Rupees two crore** and above for Scheduled commercial Banks (excluding Regional Rural banks) and Small Finance Banks .**The banks shall maintain the bulk deposit interest rate card in their Core banking system to facilitate supervisory review.**

GST

Extend the due date for furnishing of FORM GSTR – 7 for the month of January, 2019 till 28.02.2019

As per notification no. 08/2019 – Central Tax dated 8th February, 2019, the Commissioner extends the time limit for furnishing the return by a registered person required to deduct tax at source under the provisions of section 51 of the said Act in **FORM GSTR-7** of the Central Goods and Services Tax Rules, 2017 under sub-section (3) of section 39 of the said Act read with rule 66 of the Central Goods and Services Tax Rules, 2017 for the **month of January, 2019** till the **28.02.2019**.

Extend the due date for furnishing FORM GSTR-3B for the month of January, 2019

As per notification no. 09/2019-Central Tax dated 20th February, 2019, the commissioner extends the due date filing for FORM GSTR-3B for the **month of January, 2019 to 22.02.2019** and for the registered person having principal place of business in the state of Jammu & Kashmir due date is extended to **28.02.2019**.

Clarify situations of compliance of rule 46 (n) of the CGST Rules, 2017 while issuing invoices in case of inter- State supply.

As per **Circular No. 90/09/2019-GST** dated 18th February, 2019, all registered persons making supply of goods or services or both in the course of inter-State trade or commerce shall **specify the place of supply** along with the name of the State in the tax invoice. The provisions of sections 10 and 12 of the Integrated Goods and Services Tax Act, 2017 may be referred to in order to determine the place of supply in case of supply of goods and services respectively. Contravention of any of the provisions of the Act or the rules made there under attracts penal action under the provisions of sections 122 or 125 of the CGST Act.

Central Government clarify situations of mentioning details of inter-State supplies made to unregistered persons in FORM GSTR-3B and FORM GSTR-1.

As per **Circular No. 89/08/2019-GST** dated 18th February, 2019, A registered supplier is required to mention the details of inter -State supplies made to unregistered persons, composition taxable persons and UIN holders of **FORM GSTR-3B**. Further, details of all inter-State supplies made to unregistered persons where the invoice value is up to Rs 2.5 lakhs (rate-wise) are required to be reported in **FORM GSTR-1**.

Contravention of any of the provisions of the above attracts penal action under the provisions of section 125 of the CGST Act that is a **penalty** which may extend to **INR 25,000**.

Clarification regarding tax payment made for supply of warehoused goods while being deposited in a customs bonded warehouse for the period July, 2017 to March, 2018

As per **Circular No. 91/10/2019-GST**, Supply of warehoused goods while deposited in custom bonded warehouses had the character of inter-State supply as per the provisions of IGST Act, 2017. But, due to non-availability of the facility on the common portal, suppliers has reported such supplies as intra-State supplies and discharged central and state tax on such supplies instead of integrated tax. Facility to correctly report the nature of transaction in FORM GSTR-1 furnished on the portal was not available during the period July, 2017 to March, 2018, it has been decided that, suppliers who have paid central tax and state tax on such supplies, during the said period, would be deemed to have complied with the provisions of law as far as payment of tax on such supplies is concerned as long as the amount of tax paid as central tax and state tax is equal to the due amount of integrated tax on such supplies.

Presentations

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

- ‘E-Form - ACTIVE, BUDS Ordinance 2019, DPT- 3 & MSME Compliance SBO, Recent Company Law Amendments’ at:
 - Pusa Road CPE Study Circle of NIRC of ICAI
 - Patparganj CPE Study Circle of NIRC of ICAI
 - Chandigarh Branch of NIRC of ICAI
 - Rohini CPE Study Circle of NIRC of ICAI
 - Gurugram Branch of NIRC of ICAI
 - Bhiwani Branch of NIRC of ICAI
 - Karnal Branch of NIRC of ICAI
 - Ludhiana Branch of NIRC of ICAI
 - Shalimar Bagh CPE Study Circle of NIRC of ICAI
 - South Delhi CA Study Circle of NIRC of ICAI
- ‘Driving Financial Performance’ organised by Institute of Directors
- ‘Financial Literacy for Directors’ organised by Institute of Directors

- ‘Interim Budget 2019 & Important changes for AY 2019-20’ at:
 - Karnal Branch of NIRC of ICAI
 - Nehru Place Study Circle of NIRC of ICAI
 - Mangalam Group
 - Agra Branch of CIRC of ICAI
 - The Professional Forum, Delhi
- ‘Company Law changes’ organised by Kurushetra Branch of NIRC of ICAI.
- ‘Budget 2019, company law changes, DPT-3, MSME’ organised by Sangrur Branch of NIRC of ICAI.
- Financial Statements from Banker’s perspective organized by Indian Institute of Banking & Finance

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

- “Financial Acumen” at MSIL Gurgaon
- “Costing Level II” at MSIL, Gurgaon

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