

Lunawat Bulletin

Market Watch

Sensex

31.03.2019 **38672.91**

28.02.2019 **35867.44**

Nifty

31.03.2019 **11623.90**

28.02.2019 **10792.05**

Inside

Compliance Due Dates	2
Income Tax	3
MCA / RBI / Custom	4
GST	5,6
Lunawat Update	7



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SEBI seeks amendment in Companies Act after Vijay Mallya case

Capital markets regulator SEBI has asked the government to amend the Companies Act to ensure that a director declared by it as a disqualified person should immediately vacate the position, a plea triggered by defaulter businessman Vijay Mallya's reluctance to do so.

Under the Companies Act, the office of a director becomes vacant in case of he or she being disqualified by an order of a court or a tribunal, among other reasons, but there is no explicit mention of an order by the SEBI, which is mandated with regulation of thousands of listed firms in India .

In a proposal, SEBI has now proposed that the Companies Act should also clearly mention that a person should vacate the office of a director if it orders his or her disqualification.

BNP Paribas Cardif sells 5 crore shares in SBI Life Insurance for Rs 2,889 crore

BNP Paribas Cardif on Friday sold 5 crore shares of SBI Life Insurance through a block deal for Rs 2,889 crore, which saw shares skidding over 6 per cent on the local bourses. BNP Paribas sold its stake in the company through the open market at average price of Rs 577.93 per equity share.

Jet Airways defaults on \$109 million loan repayment to HSBC Bank

Jet Airways India Ltd. has reportedly missed loan repayment to HSBC Bank that was due on March 28, and was part of a two-tranche facility totaling \$140 million. The company took external commercial borrowing from HSBC in 2014, said a Bloomberg report .

"The repayment of the External Commercial Borrowing, availed by the Company for working capital purposes, falling due on 28 March 2019, has been delayed owing to temporary liquidity constraints and the Company has engaged with the Lender in relation to the same," Jet Airways quoted in an exchange filing without divulging any further details on the matter.

Indian Economy



JF Asset Management settles case with SEBI

JF Asset Management, the subsidiary of JP Morgan Asset Management, has settled a case with SEBI regarding the alleged delay in submitting application for acquiring shares in Multi Commodity Exchange (MCX).

Compliance Due Dates

Due Date	Related to	Particulars
07.04.2019 (Sunday)	TCS (Income Tax)	<ul style="list-style-type: none"> Deposit Tax collected during the month of March 2019.
10.04.2019 (Wednesday)	GST	<ul style="list-style-type: none"> GSTR-7 for taxable persons who are required to deduct TDS (Tax Deducted at Source) under GST for March 2019.
11.04.2019 (Thursday)	GST	<ul style="list-style-type: none"> Last date of filing GSTR-1 (Persons having Aggregate Turnover more than Rs 1.5 crore).
13.04.2019 (Saturday)	GST	<ul style="list-style-type: none"> GSTR-6 for Input Service Distributor of March 2019
14.04.2019 (Sunday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Due date for issue of TDS Certificate for tax deducted under Section 194-IA and 194-IB in the month of March, 2019.
15.04.2019 (Monday)	TDS (Income Tax)	<ul style="list-style-type: none"> Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2019
18.04.2019 (Thursday)	GST	<ul style="list-style-type: none"> Due Date of filing of GSTR-4 for the period January to March 2019
20.04.2019 (Saturday)	GST	<ul style="list-style-type: none"> Last date of filing GSTR-3B for March 2019. Due Date of filing of GSTR-5 & 5A for the month of March 2019 (To be filed by the Non-Resident taxable person & OIDAR)
22.04.2019 (Monday)	Company Law	<ul style="list-style-type: none"> File Return of Deposits in DPT- 3 for amounts which are not deposits and received on or after 1.4.2014 and outstanding as on 22.1.2019
25.04.2019 (Thursday)	Company Law	<ul style="list-style-type: none"> File particulars of the company and its registered office, in e-Form ACTIVE in Form INC 22A
30.04.2019 (Tuesday)	Company Law	<ul style="list-style-type: none"> Get the KYC of Persons holding DIN done in DIR -3 KYC File half yearly Form MSME 1 (if deployed on MCA portal) File Annual return of Dormant companies in Form MSC 3
30.04.2019 (Tuesday)	TDS (Income Tax)	<ul style="list-style-type: none"> Deposit TDS for month of March 2019 & for period Jan. 2019 to March 2019 if AO permitted quarterly deposit u/ss 192, 194A, 194D or 194H. Upload Form 61 where for the declarations received in Form 60 for the period 1st October 2018 to 31st March 2019 . Upload declarations received from recipients in Form. 15G/15H during the quarter ending March, 2019.
30.04.2019 (Tuesday)	GST	<ul style="list-style-type: none"> Quarterly return for registered persons with aggregate turnover up to Rs. 1.50 Crores

DATE	DAY	REGARDING
14.04.2019	Sunday	Ram Navami
17.04.2019	Wednesday	Mahavir Jayanti
19.04.2019	Friday	Good Friday

List Of Holidays

Income Tax

CBDT Directive Regarding Verification of Suspicious Transactions

The CBDT has issued a directive dated 28th March 2019 on the subject of verification of suspicious transactions in case of struck-off companies. Field authorities have been directed to verify deposits/withdrawals from the bank accounts of companies during the process of striking down and just before that especially during the period of demonetisation to check possible misuse of such companies for money-laundering activities.

CBDT issues SOP Reg Handling Of Cash Deposit Cases & Making Best Judgement Assessment

The CBDT has issued a letter dated 5th March 2019 in which the Standard Operating Procedure (SOP) for handling of cases related to substantial cash deposit during the demonetisation period has been prescribed. The CBDT has spelt out in clear-cut terms how the AO should frame a best judgement assessment in cases where the notice u/s 142(1) is not complied with by the assessee.

Amendment to sec. 142(2C) empowering AO to extend time limit to submit audit report has retro-effect: SC

The provisions of section 142(2C), as they stood prior to the amendment whereby words 'suo motu' were inserted in sub-section (2C) of section 142 with effect from 1-4-2008 by the Finance Act, 2008, did not preclude the exercise of jurisdiction and authority by the Assessing Officer to extend time for the submission of the audit report directed under sub-section (2A) of section 142 without an application by assessee and the said amendment was intended to remove an ambiguity and is clarificatory in nature.



No Sec. 14A disallowance in absence of any exempt income earned during the year; SLP dismissed

Hon'ble Supreme Court, Where High Court upheld Tribunal's order that in absence of any exempt income, disallowance under section 14-A of any amount was not permissible, SLP filed against said decision was dismissed.

No TDS was required on expenses recorded on estimated basis if assessee was following project completion method

IT: Where in project completion method provisions were made in books of accounts for ancillary works which were yet to be completed, expenditure being estimated only and payee not known, it would not be possible to deduct TDS on these estimated expenditure and therefore disallowance on account of TDS would not arise

IT: Where a business liability has definitely arisen in accounting year, deduction should be allowed although liability may have to be quantified and discharged at a future date.



AO should consider Genuine difficulties of taxpayers for stay of Proceedings : Madras HC

Hon'ble Madras High Court held that The 'trinity' of prima facie case, financial stringency & balance of convenience are basic tenets which are indispensable in consideration of a stay petition. The CBDT's Circulars & Instructions are in the nature of guidelines & cannot substitute or override the basic tenets. The AO is required to assist a taxpayer in every reasonable way. Even if the assessee has not specifically invoked the three parameters for grant of stay, it is incumbent upon the AO to do so & pass a speaking order.

Corporate Law

- Modification of circular dated December 7, 2018 on Disclosure of significant beneficial ownership in the shareholding pattern of listed entities to give effect to the amendments made by the Ministry of Corporate affairs (MCA)
- MCA clarifies existing e-Form RD -1 would apply by choosing option- 'Others' for application of conversion of public company to private company till new e-Form RD-1 is deployed on MCA website.
- In case of shifting of registered office from one state to other state, an advertisement is required to be given in the vernacular newspaper in the principal vernacular language in the district and in English language with widest circulation in the state in which the Registered office of the Company is situated.
- MCA amends Incorporation Rules changing the limit to incorporate company without registration fee from Rs. 10 Lakhs to Rs. 15 Lakhs.
- The application (SPICe) for incorporation of a company shall be accompanied by a linked e-form AGILE (Application for registration of the Goods and Services Tax Identification Number (GSTIN), Employees' State Insurance Corporation (ESIC) registration plus Employees' Provident Fund Organisation (EPFO) registration) with effect from 31st March 2019.

Customs

- CG extending exemption from IGST and compensation cess to EOUs on imports till 31.03.2020
- CG extending deeper tariff concessions to imports of specified goods from Japan under India-Japan CEPA (IJCEPA) w.e.f 1st April, 2019
- CG postpone the implementation of increased customs duty on specified imports originating in USA from 1st April, 2019 to 2nd May, 2019.
- CG extending the exemption from Integrated Tax and Compensation Cess upto 31.03.2020 on goods imported against AA/EPCG authorizations.

RBI

Special Clearing operations on March 30 and 31, 2019

- To facilitate accounting of all the Government transactions for the current financial year (2018-19) by March 31, 2019.
- All member banks of the clearing houses are required to keep their inward clearing processing infrastructure open for government transactions up to 8.00 p.m. on March 30, 2019 and upto 6.00 p.m. on March 31, 2019 and maintain sufficient balance in their clearing settlement account to meet settlement obligations arising out of the Special Clearing.

Investment by Foreign Portfolio Investors (FPI) in Government Securities Medium Term Framework

- The limit for FPI investment in Central Government securities (G-secs), State Development Loans (SDLs) and corporate bonds shall be 6%, 2%, and 9% of outstanding stocks of securities, respectively, in FY 2019-20.
- The allocation of increase in G-sec limit over the two sub-categories – 'General' and 'Long-term' – has been set at 50:50 for the year 2019-20. The entire increase in limits for SDLs has been added to the 'General' sub-category of SDLs.

Assignment of SLBC/UTLBC Convenorship – State of Gujarat and Union Territories of Daman & Diu and Dadra & Nagar Haveli

- They have been assigned in view of the 'Amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda Scheme, 2019.

Compilation of R>Returns: Reporting under FETERS

- To facilitate compilation of estimates of bilateral trade in services, it has been decided to incorporate an additional field for capturing the country code of ultimate exporter/importer in the BoP file-format under FETERS.

Export and Import of Indian Currency

- An individual may carry to Nepal or Bhutan, currency notes of Reserve Bank of India denominations above ₹100/-, i.e. currency notes of ₹500/- and/or ₹1000/- denominations, subject to a limit of ₹25,000/-.

GST

Extension of threshold limit of aggregate turnover for availing Composition Scheme u/s 10 of the CGST Act, 2017 to Rs. 1.5 crores (or 75 lakhs)

From 1st April, 2019 an eligible registered person, whose aggregate turnover in the preceding financial year did not exceed Rs. 1.5 Crore, may opt to pay under composition scheme and for special category state the said aggregate turnover in the preceding financial year shall be Rs. 75 lakhs except if such person is a manufacturer of goods such as Pan Masala, Ice Cream, Tobacco etc.

Supply of any goods other than capital goods and cement by an unregistered person to a promoter for construction of the project on which tax is payable by the promoter as recipient of goods

The above specified supply has been added under Schedule-III (9%) under Central Tax Rates.

To give exemption from registration for any person engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed Rs 40 lakhs.

Except:-

Persons required to take compulsory registration under section 24 of the CGST Act.	Persons engaged in making supplies of the goods 1 Ice cream and other edible ice, whether or not containing cocoa. 2 Pan masala 3 All goods, i.e. Tobacco and manufactured tobacco substitutes	Persons making intra-State supplies in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand	Persons having registration on voluntary basis or having already registered and intend to continue with the registration
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Specified services to be taxed under Reverse Charge Mechanism (RCM) as recommended by Goods and Services Tax Council for real estate sector

- a) Services supplied by any person by way of transfer of development rights or Floor Space Index (FSI) (including additional FSI) for construction of a project by a promoter.
- b) Long term lease of land (30 years or more) by any person against consideration in the form of upfront amount (called as premium, salami, cost, price, development charges or by any other name) and/or periodic rent for construction of a project by a promoter.

GST

Composition scheme for supplier of goods or services or both with a tax rate of 6% having annual turnover in preceding year upto Rs 50 lakhs.

Description of Supply-

First supplies of goods or services or both upto an aggregate turnover of fifty lakh rupees made on or after the 1st day of April in any financial year, by a registered person.

Provided Supplies are made by a registered person –

whose aggregate turnover in the preceding financial year was fifty lakh rupees or below
who is not eligible to pay tax under sub-section (1) of section 10 of the said Act
who is not engaged in making any supply which is not leviable to tax under the said Act
who is not engaged in making any inter-State outward supply
who is neither a casual taxable person nor a non-resident taxable person
who is not engaged in making any supply through an electronic commerce operator who is required to collect tax at source under section 52

Provided the Registered person-

shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax.	shall issue, instead of tax invoice, a “ Bill of supply ”	shall be liable to pay central tax on inward supplies on which he is liable to pay tax under 9(3) & 9(4).	Where more than one registered persons are having the same Permanent Account Number, central tax on supplies by all such registered persons is payable.	who has availed of input tax credit opts to pay tax under this notification, he shall pay an amount , by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods.
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“First supplies of goods or services or both”	
For the purposes of determining eligibility of a person to pay tax	For the purpose of determination of tax payable
Include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration	Shall not include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration under the Act

Lunawat Update

Presentations

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

- ‘E- Form ACTIVE, BUDS Ordinance 2019, DPT- 3 & MSME Compliance SBO, Recent Company Law Amendments’ at:
 - NIRC of ICAI
 - FTAP, Delhi
 - Vikas Marg CPE Study Circle of NIRC of ICAI
 - Shastri Nagar CPE Study Circle of NIRC of ICAI
 - International Fiscal Association, India Chapter
 - Shivaji Marg CPE Study Circle of NIRC of ICAI
 - Bahadurgarh Branch of NIRC of ICAI
 - Tri Nagar Keshav Puram CPE Study Circle of NIRC of ICAI
 - North Campus CPE Study Circle of NIRC of ICAI
 - Muzaffarnagar Branch of CIRC of ICAI
 - Kurushetra Branch of NIRC of ICAI
 - Chandigarh Branch of NIRC of ICAI

- Deemed Gifts and Valuation of issue & transfer of shares at Income Tax Expert Group of AICAS
- Banning of Unregulated Deposits Scheme Ordinance 2019 & Recent Company Law Amendments
 - Sales Tax Bar Association, Delhi
 - Delhi Tax Bar Association, Delhi
 - District Center Janakpuri CPE Study Circle of NIRC of ICAI
 - Ludhiana Branch of NIRC of ICAI
 - Mayur Vihar CPE Study Circle of NIRC of ICAI

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

- “Financial Acumen” at MSIL Gurgaon
- “Financial Acumen” at SMIPL Gurgaon
- “GST Audit” at WDSC
- “Fintech” at Escorts, Bhopal

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