

JULY 2019

# Lunawat Bulletin

## Market Watch

Sensex

30.06.2019 **39394.64**

31.05.2019 **39704.20**

Nifty

30.06.2019 **11788.85**

31.05.2019 **11922.80**

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## Jet Airways Employee Consortium, Adi Group to bid for 75 percent of airline

In a first-of-its-kind initiative, a Jet Airways Employee Consortium and Adi Group Friday announced a partnership to bid for 75 per cent of the airline through the NCLT process, members of the consortium said. The debt-laden company became the first domestic airliner to go into bankruptcy after the Mumbai Bench of the National Company Law Tribunal (NCLT) admitted an insolvency petition filed by the SBI on behalf of 26 lenders on June 20.

The airline owes Rs 8,500 crore to banks and around Rs 25,000 crore in arrears to vendors, lessors and employees. Jet Airways Employee Consortium and AdiGroup are delighted to announce their partnership to bid for acquisition of 75 per cent of Jet Airways through NCLT process. This is a new dawn in the history of India Aviation of operating an airline through Employee Initiative programme where every single employee of Jet Airways will become an owner of the airline.

## PwC resigned as Reliance auditor suspecting fraud and threat of legal action: firm tells MCA

Price Waterhouse and Co (PwC) that resigned as auditor of Reliance Capital and Reliance Home Finance in a letter to Ministry of Corporate Affairs (MCA) has said that it suspected fraud in the companies.

“We did not receive substantive/satisfactory response to our queries in light of our observations. Accordingly we sent letter dated 24 April 2019 under the provisions of section 143 (12) of Companies Act read with Rule 13 (2) (a)..” PwC said in the letter to MCA.

## Crises at NBFCs, HFCs big threat to markets: RBI

The Reserve Bank of India's Financial Stability Report warned that the non-banking finance companies (NBFCs) and mortgage firms in dire straits pose a serious threat.

According to the report that was issued on Thursday, the contagion from the malaise gripping shadow lenders, along with a looming global trade war and instability stemming from US actions, is among the biggest threats to the markets.

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## Compliance Due Dates

Due Date	Related to	Particulars
07.07.2019 (Sunday)	<b>TDS (Income Tax)</b>	<ul style="list-style-type: none"> <li>Due date for deposit of Tax deducted/collected during the month of June 2019 for all corporate assessees.</li> </ul>
10.07.2019 (Wednesday)	<b>TDS (Income Tax)</b>	<ul style="list-style-type: none"> <li>Due date for issuing quarterly TDS certificates in respect of salary paid and tax deducted (Same was extended from June 15, 2019 to July 10, 2019 )</li> </ul>
10.07.2019 (Wednesday)	<b>GST</b>	<ul style="list-style-type: none"> <li>Due date for Filing GST TCS Returns or Form GSTR 8 for the Month of June 2019</li> <li>Due date for Filing GST TDS Returns (GSTR 7) for the Month of June 2019</li> </ul>
11.07.2019 (Thursday)	<b>GST</b>	<ul style="list-style-type: none"> <li>Last date of filing GSTR-1 (Persons having Aggregate Turnover more than Rs. 1.5 Crore.</li> </ul>
15.07.2019 (Monday)	<b>TDS (Income Tax)</b>	<ul style="list-style-type: none"> <li>Due date for issue of TDS certificate for tax deducted u/s 194-IA &amp; 194-IB in the month of May 2019.</li> <li>Quarterly statement of TCS deposited for the quarter ending 30 June, 2019</li> <li>Upload the declarations received from recipients in Form No. 15G/15H during the quarter ending June, 2019</li> </ul>
15.07.2019 (Monday)	<b>PF/ESIC</b>	<ul style="list-style-type: none"> <li>Last date of PF Payment for m/o June 2019.</li> <li>Last date of ESIC Payment for m/o June 2019.</li> </ul>
20.07.2019 (Saturday)	<b>GST</b>	<ul style="list-style-type: none"> <li>Last date of Filing GSTR-3B for the month of April.</li> <li>Due date of GSTR-5 for the month of June 2019 (To be filed by non resident taxable person)</li> </ul>
30.07.2019 (Tuesday)	<b>TDS (Income Tax)</b>	<ul style="list-style-type: none"> <li>Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2019</li> <li>Due date for furnishing challan cum statement for tax deducted under section 194-IA in the month of June, 2019</li> <li>Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of June, 2019</li> </ul>
31.07.2019 (Wednesday)	<b>TDS (Income Tax)</b>	<ul style="list-style-type: none"> <li>Quarterly statement of TDS deposited for the quarter ending June 30, 2019</li> </ul>
31.07.2019 (Wednesday)	<b>Income Tax</b>	<ul style="list-style-type: none"> <li>Annual return of income for the assessment year 2019-20 for all assessee other than (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) working partner of a firm whose accounts are required to be audited or (d) an assessee who is required to furnish a report under section 92E.</li> </ul>

## Income Tax

### **CBDT Guidelines for Compounding Of Offences under Direct Tax Laws, 2019**

The CBDT has issued a directive dated 14th June 2019 in which it has specified the guidelines for compounding of offenses under section 279(2) of the Act. The Guidelines supercede the earlier guidelines on the subject. The Guidelines shall come into effect from 17.06.2019 and shall be applicable to all applications for compounding received on or after the aforesaid date. Applications received before 17.06.2019 shall continue to be dealt with in accordance with the Guidelines dated 23.12.2014.

### **CBDT faces flak over sacking of “Honest” High-Ranking IRS Official**

The Ministry of Finance and the CBDT have launched a massive “*clean up*” drive to get rid of alleged tainted and corrupt officers. After the “*demotion*” of two Joint Commissioners, 15 high-ranking IRS officials have been “*compulsorily retired*”. However, some influential personalities like Subramaniam Swamy and S. Gurumurthy are claiming that some “*honest*” officers have been wrongly targeted and implicated in “*bogus*” cases.

### **CBDT Circular Clarifies Law Regarding non-allow ability of Set-Off Of Losses against Deemed Income u/s 115BBE of the Income-tax Act, 1961 prior to assessment -year 2017-18.**

### **CBDT Directive Reg Issue of Paper Refunds**

With a view to expedite the refund process, a modification in the approval process for issue of paper refunds and Manual Order upload functionality In ITBA assessment module has been implemented. The safeguards required to be taken while issuing paper refunds have also been specified.

## RBI

- The minimum Leverage Ratio shall be 4% for Domestic Systemically Important Banks (DSIBs) and 3.5% for other banks.
- Permission to acquire financial asset from other Asset Reconstruction Companies (ARCs) has been given with certain following condition:-
  - a. The transaction is settled on cash basis;
  - b. Price discovery for such transaction shall not be prejudicial to the interest of Security Receipt holders;
  - c. The selling ARC will utilize the proceeds so received for the redemption of underlying Security Receipts;
  - d. The date of redemption of underlying Security Receipts and total period of realisation shall not extend beyond eight years from the date of acquisition of the financial asset by the first ARC.
- RBI waived charges for NEFT and RTGS.
- Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019 has been reviewed and has since been finalized.

## GST

### Extension of due date of filing returns in FORM GSTR-7, GSTR-1 (Quarterly), GSTR-1 (Monthly) & ITC-04

- The commissioner extends the time limit for furnishing the return in FORM GSTR-7 for the months of October, 2018 to July, 2019 till the **31st day of August, 2019**
- The Central Government, on the recommendations of the Council, notifies the registered persons having aggregate turnover of up to 1.5 crore rupees shall furnish **FORM GSTR-1** for the period of July-September, 2019 till **31st October, 2019**
- The Central Government, on the recommendations of the Council, notifies the registered persons having aggregate turnover of more than 1.5 crore rupees shall furnish **FORM GSTR-1** for the period of July-September, 2019 till the **eleventh day** of the month succeeding such month.
- the 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 June, 2019 till the **31st day of August, 2019**

### Exemption from furnishing of Annual Return for suppliers of Online Information Database Access and Retrieval Services (“OIDAR services”)

- The Central Government, on the recommendations of the Council, hereby notifies the persons registered under section 24 with rule 14, supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person shall not required to furnish **FORM GSTR-9 & FORM GSTR-9C**.

### Extension of due date for furnishing FORM GSTR-9, FORM GSTR-9A and FORM GSTR-9C

- As per Removal of Difficulties Order No. 6/2018-Central Tax extend the due date of filing of FORM GSTR-9, GSTR-9A & GSTR-9C from 30<sup>th</sup> June, 2019 to **31<sup>st</sup> August, 2019** for the period of 1<sup>ST</sup> July, 2017 to 31<sup>st</sup> March, 2019.

### CBIC issued clarifications in regard to place of supply in certain cases, applicability of GST on additional / penal interest and various doubts related to treatment of secondary or post-sales discounts under GST

## Custom

- Central Government increased the import duty leviable on goods, falling under Chapters 7, 28 and 38 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

## Lunawat Update

### Presentations

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

- “Banning of Unregulated Deposits Scheme Ordinance 2019” made at PHD Chamber of Commerce and Industry.
- “Changes in ITRs, Taxation of Immovable Property” organised by Prayagraj (Allahabad) Branch of CIRC of ICAI
- “Company Amendment Ordinance, DPT-3, BUDS” organised by Global Chamber of Professionals
- “Changes in ITR, Companies (Amendment) Ordinance 2019 & DPT3” organised by Ambala Branch of NIRC of ICAI
- “DPT-3 and Banning of Unregulated Deposits Scheme Ordinance 2019” organised by Bilaspur Branch of NIRC of ICAI

- “DPT-3” organised by Safdarjung Enclave CPE Study Circle of NIRC of ICAI
- “Changes in ITR and DPT-3 Compliance” organised by Shastri Nagar CPE Study Circle of NIRC of ICAI
- “DPT - 3” organised by Shalimar Bagh CPE Study Circle of NIRC of ICAI

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

- “GST Audit” at Ambala branch of ICAI
- “Training on Financial Acumen” at MSIL, Gurgaon
- “GST Audit” at Nehru Place Study Circle of NIRC of ICAI
- “Finance for Non finance training” at GT Aerocity
- “GST Audit” at Alwar branch of CIRC of ICAI

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