

AUGUST 2019

Lunawat Bulletin

Market Watch

Sensex

31.07.2019 **37481.12**

30.06.2019 **39394.64**

Nifty

31.07.2019 **11118.00**

30.06.2019 **11788.85**

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A major crisis may be brewing for Indian banks

Many banks believed lending to individuals is risk-free given they are better placed with credit scores. But the recent slowdown and vanishing jobs are upending the belief. Defaults in this segment may be the next worry though the magnitude of damage may be contained. Deepak Chopra has been regular in payments of loans all these years. Now he's running from pillar to post to meet the obligations – be it school fees for his son or the home loan installment. In fact, he is behind schedule.



Bad News! NPS investment to become expensive as NPS Trust allowed to recover its administrative expenses

Launched to replace the conventional pension system, the aim of the government was to keep the running expenses of NPS very low to avail maximum benefits to its employees. One of the most attractive features of the National Pension System or NPS is its very low expense ratio. The scheme was launched in 2004 to provide pension to the government employees, who joined their services on or after January 1, 2004, and the aim of the government was to keep the running expenses very low to avail maximum benefits to its employees.

However, the expense ratio of NPS will increase a bit now as the NPS Trust, which maintains NPS accounts and takes care of the assets and funds under the pension system, is allowed to recover administrative charges and expenses on daily accrual basis from the month of August this year.

Public listing of LIC on the cards as Modi weighs next big-bang reform

The Government of India may look at listing of Life Insurance Corporation (LIC), the public sector insurance behemoth, as part of the Modi Government's next big-bang reforms. LIC holds two-thirds share of India's life insurance market. ET Now on Monday reported that talks on listing of LIC are at an early stage and an IPO may be planned going forward.

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Compliance Due Dates

Due Date	Related to	Particulars
07.08.2019 (Wednesday)	TDS (Income Tax)	<ul style="list-style-type: none"> Due date for deposit of Tax deducted/collected during the month of July 2019 for all corporate assessees.
10.08.2019 (Saturday)	GST	<ul style="list-style-type: none"> Due date for filing GSTR-8 (to be filed by the by the e-commerce operators required to deduct TDS under GST for the m/o July 2019).
11.08.2019 (Sunday)	GST	<ul style="list-style-type: none"> Due date of filling GSTR-1 for the month of July 2019.
14.08.2019 (Wednesday)	TDS (Income Tax)	<ul style="list-style-type: none"> Due date for issue of TDS certificate for tax deducted u/s 194-IA & 194-IB in the month of June 2019.
15.08.2019 (Thursday)	TDS (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, 2019 Due date for furnishing of Form 24G by an office of the Government where TDS for the month of July, 2019 has been paid without the production of a challan.
15.08.2019 (Thursday)	PF/ESIC	<ul style="list-style-type: none"> Last date of PF Payment for m/o July 2019. Last date of ESIC Payment for m/o July 2019.
20.08.2019 (Tuesday)	GST	<ul style="list-style-type: none"> Last date of Filing GSTR-3B for the month of July 2019.
25.08.2019 (Sunday)	PF	<ul style="list-style-type: none"> PF Return filling for July 19 (including pension & Insurance scheme forms).
30.08.2019 (Friday)	TDS (Income Tax)	<ul style="list-style-type: none"> Due date for furnishing of challan-cum-statement in respect of tax deducted u/s 194-IA & 194-IB for the month of July, 2019.
31.08.2019 (Saturday)	GST	<ul style="list-style-type: none"> Last date of filing GSTR-9, GSTR-9A & GSTR-9C for Financial year 2017-18. Due date for Filing GSTR 7 for the month of June 2019. Due date for Filing of Form ITC-04 in relation to job Work. (Period of Form-July 17 to June 19). Last date of filing CMP-08(Composition Supplier).
31.08.2019 (Saturday)	Income Tax	<ul style="list-style-type: none"> Last date for Filing of Annual return of income for AY 2019-20 for all assessee other than corporate-assessee, non-corporate assessee (whose books of account are required to be audited), working partner of a firm whose accounts are required to be audited .

LIST OF HOLIDAYS

DATE	DAY	REGARDING
12.08.2019	Monday	Id-ul-Zuha
15.08.2019	Thursday	Independence Day, Rakhi
24.08.2019	Saturday	Krishan Janamasthami

Income Tax

CBDT Demands 100% Disposal Of Appeals By CsIT(A)

The CBDT has sent the clear signal in the **Central Action Plan 2019-20** that it will no longer tolerate the lethargy of CsIT(A) in the matter of disposal of appeals. It has pointed out that huge tax demands are locked up in these appeals. It has stipulated that **100%** of appeals involving demands of Rs. 50 crore should be disposed off

CBDT Circular Clarifies Taxability Of Non-Residents' Income From Off-shore AIF Investments

The CBDT has vide Circular No. 14/2019 dated 3rd July 2019 provided important clarification regarding the taxability of income earned by non-resident investors from off-shore investments routed through an Alternate Investment Fund

Income-Tax Dept. Will Become 'Corruption Free' Soon: Finance Minister

Smt. Nirmala Sitharaman, the Hon'ble Finance Minister, has released statistics which prove that the Income-tax department is indeed a dreaded den of corruption. In the year 2018 itself, **1441 complaints** were received by the CBDT from hapless taxpayers against the officials of the Department. The Finance Minister has solemnly assured Parliament that the Government is taking strict action against such officials. She has also listed out the several steps which have been taken by the Government to ensure corruption free tax administration in the Country

CBDT Clarification regarding Disclosure of Long-Term Capital Gain In Income Tax Return

The CBDT has issued an important clarification regarding the requirement to furnish scrip wise details of long term capital gains in Schedule 112A and 115AD(1)(iii). However, the same is optional.

Custom

- CG exempt specified defense equipment and their parts from Basic Customs Duty for a period of 5 years.
- CG increase the effective rate of Basic Customs Duty on petroleum crude.
- CG exempt specified capital goods use for manufacture of specified electronic items.
- CG explicitly provide BCD exemption on the specified parts of line telephone handset.
- CG reduce the export duty on EI tanned leather and Hides, skins and leathers, tanned and untanned, all sorts.

Corporate Law

- MCA amends due date of filing of Form BEN-2 without addition fee to 30th September 2019
- MCA amends to prescribe fee for DIR -3KYC filed beyond 30th September every year
- MCA amends rules to provide that DIR - 3 KYC is to be submitted by 30th September every year without fee.
- MCA appoints 15th August 2019 as the date from which S. 406 (Nidhis) as amended by Companies (Amendment) Act 2017 would come in force
- MCA amends Nidhi Rules, inserts Form NHD-4 for filing application for declaration as Nidhi Company

RBI

- Master Circular for the following have been notified
 - ⇒ Credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs)
 - ⇒ Facility for Exchange of Notes and Coins
 - ⇒ Detection and Impounding of Counterfeit Notes
 - ⇒ Scheme of Penalties for bank branches based on performance in rendering customer service to the members of public
 - ⇒ SHG-Bank Linkage Programme
 - ⇒ National Urban Livelihoods Mission (DAY-NULM)
 - ⇒ Credit Facilities to Minority Communities
 - ⇒ Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)
 - ⇒ Lead Bank Scheme
 - ⇒ Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) is scheduled to increase by 0.50 per cent of NDTL on August 1 and December 1, 2019 respectively.
- Master Direction on Currency Distribution & Exchange Scheme (CDES) based on performance in rendering customer service to the members of public have been notified
- Master Direction on Levy of Penal Interest for Delayed Reporting / Wrong Reporting / Non-Reporting of Currency Chest Transactions and Inclusion of Ineligible Amounts in Currency Chest Balances have been notified.
- “India Post Payments Bank Limited” have been included in the Second Schedule of the Reserve Bank of India Act, 1934
- It has now been decided in consultation with Government of India, that agency banks while claiming agency commission from RBI Central Accounts Section, Nagpur and at Regional offices of RBI (including Mumbai Regional Office for GST collections) are required to submit certificates by the bank official and by Chartered Accountant in this regard in the revised format as given

GST

Extension of last date for furnishing FORM GST CMP-08 for the quarter April - June 2019

- CG extends the last date of extend the last date for furnishing FORM GST CMP-08 for the quarter April -June 2019 till 31st August, 2019.

Clarification related to GST on monthly subscription/contribution charged by a Residential Welfare Association from its members.

CG has given clarification regarding following points:-

- Supply of service by RWA to its own members by way of reimbursement of charges or share of contribution up to an amount of Rs. 7500 per month per member in a housing society or a residential complex are exempt from GST. In case the charges exceed Rs. 7500/- per month per member, the entire amount is taxable.
- If aggregate turnover of an RWA does not exceed Rs.20 Lakh in a financial year, it shall not be required to take registration and pay GST even if the amount of maintenance charges exceeds Rs. 7500/- per month per member.
- RWAs are entitled to take ITC of GST paid by them on capital goods (generators, water pumps, lawn furniture etc.), goods (taps, pipes, other sanitary/hardware fillings etc.) and input services such as repair and maintenance services.
- The ceiling of Rs. 7500/- per month per member shall be applied separately for each residential apartment owned by him in a housing society or a residential complex.

Clarification in respect of goods sent/taken out of India for exhibition or on consignment basis for export promotion.

CG has given clarification regarding following points:

- The registered person dealing in specified goods shall maintain a record of such goods as per the format at Annexure to Circular No.108/27/2019.
- The specified goods shall be accompanied with a delivery challan issued in accordance with the provisions contained in rule 55 of the CGST Rules.
- The supply would be deemed to have taken place, on the expiry of six months from the date of removal, if the specified goods are neither sold abroad nor brought back within the said period and the sender shall issue a tax invoice on the date of expiry of six months from the date of removal, in accordance with the provisions contained in section 12 and section 31 of the CGST Act read with rule 46 of the CGST Rules.
- When the specified goods sent / taken out of India have been sold fully or partially, within the stipulated period of six months, as laid down in sub-section (7) of section 31 of the CGST Act, the sender shall issue a tax invoice in respect of such quantity of specified goods which has been sold abroad, in accordance with the provisions contained in section 12 and section 31 of the CGST Act read with rule 46 of the CGST Rules.
- The sender of goods cannot prefer any refund claim when the specified goods are sent / taken out of India but not brought back.



Lunawat Update

Presentations

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

- “Union Budget 2019 & Changes in ITR” made at
 - ⇒ Kurushetra Branch of NIRC of ICAI
 - ⇒ Malviya Smriti Bhawan organised by Professional Forum
 - ⇒ Nehru Place Study Circle of NIRC of ICAI
 - ⇒ Patel Nagar CPE Study Circle of NIRC of ICAI
 - ⇒ Oswal Samaj, Vivek Vihar - II organised by Terapanth Professional Forum and Oswal Samaj
- “BEN-2 i.e., Significant Beneficial Ownership (SBO) and NFRA” organised by Chamber of Chartered Professionals, Delhi
- “ICDS Overview” made at Direct Tax Regional Training Institute, Delhi

- “Revisiting critical issues in Union Budget 2019” organised by West Delhi Study Circle (WDSC) of NIRC of ICAI
- “Share Premium tax for startup” made at Direct Tax Regional Training Institute
- “Company Amendment Ordinance, DPT-3, BEN-2, NFRA” organised by KCAS Study Circle of CIRC of ICAI, Varanasi
- “Changes in ITR, Tax Audit, Audit Report” made at Khanna organised by KGCA, Ludhiana Branch of NIRC of ICAI

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

- “GST Presentation” at Trivandrum Branch of SIRC of ICAI
- “Finance for Non Finance” at Vikas Group
- “Financial Acumen” at MSIL Gurgaon

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