

February 2020

# Lunawat Bulletin

## Market Watch

### Sensex

31.01.2020 **40723.49**

31.12.2019 **41253.74**

### Nifty

31.01.2020 **11962.10**

31.12.2019 **12168.45**

## Govt raise bank deposit cover to Rs 5 lakh

Currently, deposits up to Rs 1 lakh are covered by insurance under the Deposit Insurance & Credit Guarantee Corporation (DICGC) Act. This compensation was last set 25 years ago. The government may double insurance on bank deposits to Rs 5 lakh in Budget 2020. The proposal comes after the Reserve Bank of India (RBI) faced criticism over its handling of the Punjab and Maharashtra Cooperative (PMC) Bank closure in September last year.

## FY21 GDP growth pegged at 6-6.5%

The Economic Survey 2020 has pegged India's economic growth at 6-6.5 percent in 2020-21. For FY20, gross domestic product (GDP) growth is forecast at 5 percent, the survey said. This is in line with the Central Statistics Office's (CSO) projection of 5 percent GDP growth in FY20. Growth resurgence is expected to begin in the second half of FY20.

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## GST, digitization led to rise in formal jobs

The Economic Survey 2020 has said that the introduction of Goods and Services Tax (GST), digitization of payments and social security schemes have led to the creation of more formal jobs.

Data showed that the proportion of workers in organized sector increased from 17.3 percent in 2011-12 to 19.2 percent in 2017-18.

In actual terms, the number of workers in the organized sector increased to about 9.05 crore workers in 2017-18, an increase of 0.87 crore over 2011-12.

## Eco Survey blames over-dependence on funding from liquid funds for NBFC crisis

The Economic Survey 2019-20 says the problems faced by the NBFCs stemmed from their over-dependence on short-term wholesale funding from the liquid debt mutual funds. "While such reliance works well in good times, it generates significant risk to NBFCs from the inability to roll over the short-term funding during times of stress.



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## Compliance Due Dates

Due Date	Related to	Particulars
07.02.2020 (Friday)	<b>TDS/TCS (Income Tax)</b>	<ul style="list-style-type: none"> <li>Deposit Tax deducted/collected during the month of January 2020 for all corporate assesseees.</li> </ul>
10.02.2020 (Monday)	<b>GST</b>	<ul style="list-style-type: none"> <li>GSTR-8 for E-Commerce operator for January 2020.</li> </ul>
10.02.2020 (Monday)	<b>GST</b>	<ul style="list-style-type: none"> <li>GSTR-7 For the month of January 2020</li> </ul>
11.02.2020 (Tuesday)	<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>
13.02.2020 (Thursday)	<b>GST</b>	<ul style="list-style-type: none"> <li>GSTR-6 for Input Service Distributor of January 2020</li> </ul>
14.02.2020 (Friday)	<b>TDS (Income Tax)</b>	<ul style="list-style-type: none"> <li>Due date for issue of TDS Certificate for tax deducted under Section-194-IA/IB &amp; 194M in the month of December, 2019.</li> </ul>
15.02.2020 (Saturday)	<b>TDS (Income Tax)</b>	<ul style="list-style-type: none"> <li>Due date for furnishing of Form 24G by an office of the Government where TDS for the month of January 2020 has been paid without the production of a challan .</li> </ul>
15.02.2020 (Saturday)	<b>TDS/TCS (Income Tax)</b>	<ul style="list-style-type: none"> <li>Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for quarter ending December 31, 2019.</li> </ul>
20.02.2020 (Thursday)	<b>GST</b>	<ul style="list-style-type: none"> <li>Last date of filing GSTR-3B for January 2020</li> </ul>
20.02.2020 (Thursday)	<b>GST</b>	<ul style="list-style-type: none"> <li>Due Date of filing of GSTR-5 &amp; 5A for the month of January 2020.(<i>to be filed by the Non-Resident taxable person &amp; OIDAR</i>)</li> </ul>

## Corporate Law

### Extension of last date of filing of Form BEN-2

Time limit for filing of Form BEN-2 (Return to the Registrar in respect of declaration under section 90) has been extended upto 31st March, 2020.

### MCA amends limit for appointment of Whole Time Company Secretary and Secretarial Audit

The limit of paid up share capital for appointment of whole time Company Secretary has been **increased** from Rs. 5 Crores to Rs. 10 Crores and an **additional criteria** has been added to extend the scope of Secretarial Audit. In addition to listed Companies and Public Companies with paid up share capital of Rs. 50 crore or turnover of Rs. 250 crore, every company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more are also required to have Secretarial Audit.

### Amendment in Indian Stamp Act

This is with reference to the Gazette notification dated 8th Jan, 2020 wherein the uniform stamp duty implementation date of 9th Jan, 2020 has been postponed. The existing state wise stamp duty rates will be applicable till 31st Mar, 2020.

### SPICE+ : MCA to deploy new integrated form for Incorporation

MCA has issued following important updates regarding proposed changes in procedure for Name Reservation and Incorporation of a new Company: MCA would be shortly notifying & deploying a new Web Form 'SPICE+' replacing the existing SPICE form as a part of Government of India's Ease of Doing Business (EODB) initiatives.

### MCA notifies Companies (Winding Up) Rules, 2020 effective from 1st April, 2020

### MCA notifies Companies (Accounts) Amendment Rules, 2020

Every NBFC that is required to comply with Ind AS shall file the f.st. with Registrar together with Form AOC-4 NBFC and the consolidated F.st. with Form AOC-4 CFS NBFC as they shall be applicable w.e.f 31.01.2020 and 17.02.2020 respectively

## Income Tax

### Computer Aided Selection Of Cases For Scrutiny (CASS): CBDT Reconstitutes

The CBDT has vide Office Memorandum dated 03.01.2020 re-constituted the CASS Committee under the Chairmanship of Director General of Income Tax (Risk Assessment). The terms of reference for the CASS Committee are also stated and include analysis of suggestions received from field authorities, recommendation of modification or removal of existing rules, recommending changes in ITRs, Income Tax Forms, third Party information etc., to enable effective scrutiny selection.

### Compounding of Offenses :CBDT Circular Extends Time For Filing Applications

The CBDT has vide Circular No. 1/2020 dated 03.01.2020 extended the time limit for filing of applications for compounding of offenses under the Income-tax Act, 1961. The extension has been granted with a view to give a final opportunity to taxpayers and to reduce the pendency of existing prosecution cases before the courts.

### CBDT Directs Expeditious Liquidation Of Pendency Of CPGRAMS Grievances

The CBDT has issued a directive to the Principal Chief Commissioners and Director Generals of Income Tax that all measures should be taken to get pending CPGRAMS grievances expeditiously disposed of and to ensure that there are no grievances pending for more than 90 days in their Region/ Charge



### Sec: 195 TDS Amendment: CBDT Invites Suggestions From Public

The CBDT has vide letter dated 31.12.2019 invited public consultation on the proposal for amendment of Income-tax Rules 1962, to insert new rule 29BA and Form 15E, to give effect to the amendment in section 195 of the Income-tax Act, 1961 (the Act) vide Finance (No.2) Act 2019.

## Goods and Services Tax

### Standard Operating Procedure (SOP) to be followed by exporters

Several cases of **monetization of credit** fraudulently obtained or ineligible credit through refund of IGST on exports of goods have been detected in past few months. On verification, several such exporters were found to be non-existent & ITC was taken by the exporters on the basis of fake invoices.

To reduce the risk, the Board has taken **measures** by rigorous data analytics and Artificial Intelligence tools based on which certain exporters are taken up for further verification. Exporters selected for verification is a small fraction of the total number of exporters claiming refunds. The refund scrolls in such cases are kept in abeyance till the verification report is received from the field formations. Further, the export consignments/shipments of concerned exporters are subjected to 100 % examination at the customs port.

Exporters whose scrolls have been kept in abeyance for verification would be informed at the earliest possible either by the jurisdictional or by Customs.

The exporters on being informed in this regard or on their own volition should fill in information in the format attached as Annexure 'A' to this Circular no. 131/1/2020 dated 23/01/2020 and submit the same to their jurisdictional CGST authorities for verification by them.

Verification shall be completed by jurisdiction office **within 14 working days**. If the verification is **NOT** completed within this period, the jurisdiction officer will bring it the notice of cell. **After a period of 14 working days** from the date of submission of details in the prescribed format, the exporter may also escalate the matter to the Jurisdictional Pr. Chief Commissioner/Chief Commissioner of Central Tax. They should take appropriate action to get the verification completed within next 7 working days.

### Date for submitting the declaration electronically in FORM GST TRAN-1 and TRAN-2 has been extended

Commissioner may extend the date for submitting the declaration electronically in **FORM GST TRAN-1** by a further period not beyond **31st March, 2020**, & **FORM GST TRAN-2** by **30<sup>th</sup> April 2020** in respect of registered persons who could not submit the said declaration by the due date on account of technical difficulties on the common portal .



# Lunawat Update

## Presentations

During January 2020, CA Pramod Jain gave following presentations:

- **“Transactions with Non-Residents under Income Tax (Care & Caution)”** at Jodhpur, Rajasthan organised by RTCA & Tax Bar Association, Jodhpur.
- **“Form 15CA / 15CB at Double Tree Hotel,”** Gurugram during Diploma Course in International Tax of Committee on International Tax of ICAI.
- **“Appeals under Income Tax including Demonitization Cases”** at Maharaja Agarsen Public School, Ashok Vihar Phase IV, Delhi organised by Shastri Nagar CPE Study Circle of NIRC of ICAI.
- **“Issues in Appeals of Demonitization cases”** at Elcina House, Okhla Industrial House, Delhi organised Nehru Place CPE Study Circle of NIRC of ICAI.
- **“Understanding Critical issues in Financial Statements”** at PHD Chamber of Commerce & Industry.

- **“Strategic & Precautions in Audit by Small & Medium Firms”** at Birla Auditorium, Jaipur, Rajasthan organised by Research Committee of ICAI.
- **“Appeals under Income Tax including Demonitization Cases”** at ICAI, Sangrur organised by Sangrur Branch of NIRC of ICAI.
- **“New Tax Rates for Companies & Appeals under Income Tax including Demonitization cases”** at Hotel Pearl Marc, Kurukshetra organised by Kurukshetra Branch of NIRC of ICAI.

During January 2020, CA Rajesh Saluja gave following presentations:

- **“Training for Escorts”** at Hero Mindmine Institute Pvt Ltd, Faridabad
- **“GST Certification Course”** at Chennai Branch of ICAI
- **“Finance for Non Finance Programme”** at Honda SIEL Power Products Ltd.

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