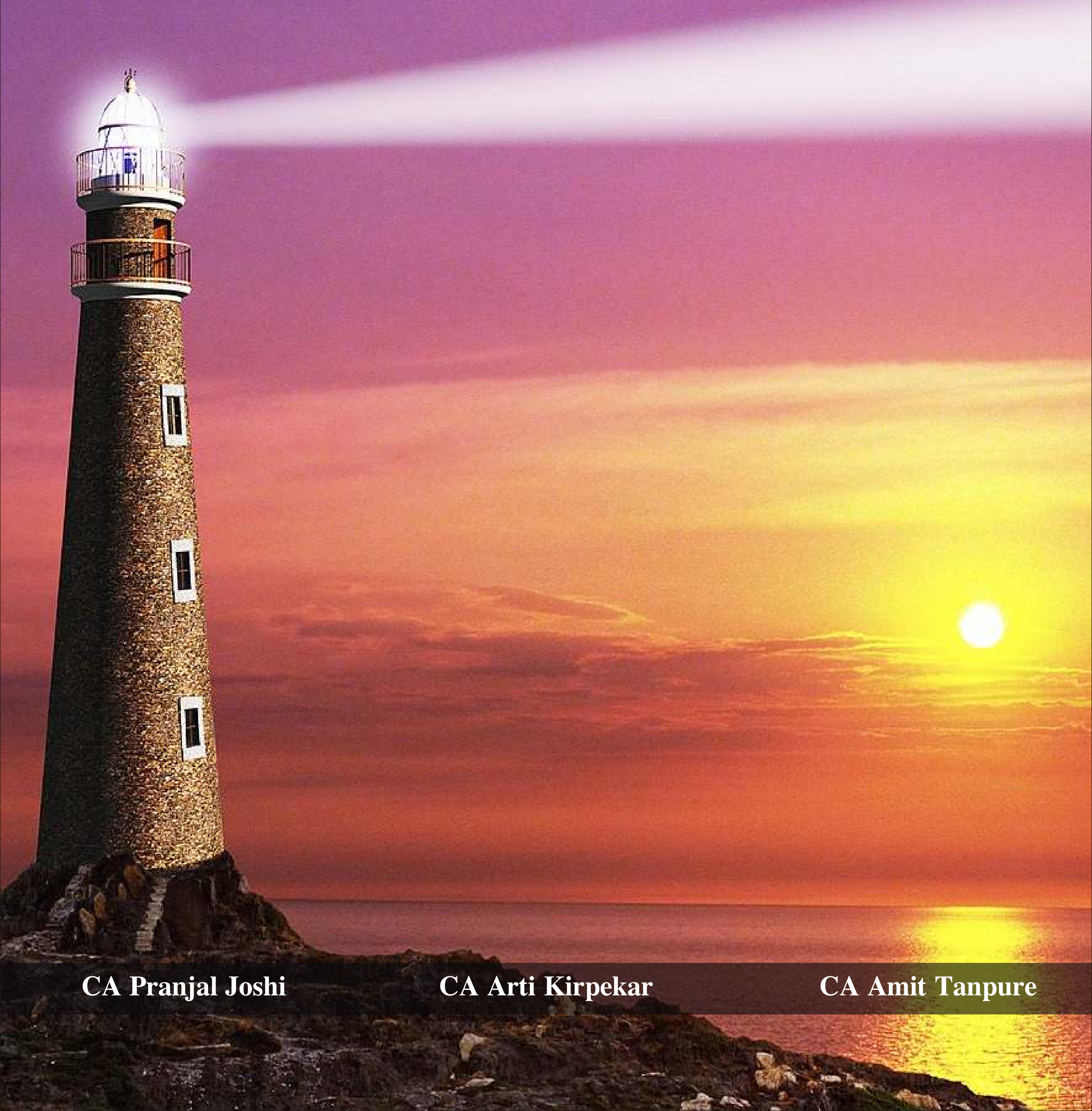
M/s Pranjal Joshi & Co
Chartered Accountants

Audit - Consulting - Tax - IFRS - Valuation

Issue - January 2018



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CONTENTS

GST Legal Updates

1. **CGST Rules -** Manual filing for Refund claims and application for Advance Ruling has been made available w.e.f. 15.11.2017.
2. **Filing of Summary returns –** GSTR 3B Return to be submitted Monthly for January to March 2018 by ALL categories of persons without turnover limit.
3. **Provision for Quarterly filing of GSTR 1 return –** Those persons having turnover upto Rs 150 Lacs, can now file GSTR 1 return on quarterly basis
4. **New time lines for GST return filings have been prescribed –**

Return Form Name	Particulars	Due Dates
GSTR 3B	Summary return for January, February and March 2018 (Monthly)	20thof the succeeding month. [Payment to be made not later than 20thof the succeeding month i.e. the last date for filing the return.]
GSTR 1 (Quarterly)	By persons having turnover upto Rs 150 Lacs p.a. July-September, 2017 October-December, 2017 January-March, 2018	31st December, 2017 15th February,2018 30th April, 2018.
GSTR 1 (Monthly)	By persons having turnover above Rs 150 Lacs p.a. July-October, 2017 November, 2017 December, 2017 January, 2018 February, 2018 March, 2018	31st December, 2017 10th January,2018 10th February, 2018 10th March, 2018 10th April, 2018 10th May, 2018 March, 2018

5. Amendments in the GST rate - Restaurant Services - Notification 46/2017-Central Tax (Rate) dated 14.11.2017

Restaurant Service: Stand alone or as a part of Hotel etc. having declared tariff of less than Rs. 7,500/- per unit of accommodation.	5% [2.5% CGST and 2.5% SGST] - Provided input tax credit on goods and services used in supplying the service has not been taken.
Restaurant as part of hotel etc. for which declared tariff of unit of accommodation is Rs.7500/- or above.	18% [9% CGST and 9% SGST]

6. Merchant Exporters - Notification 40/2017-Central Tax (Rate) Dated 23RD October 2017 and notification 41/2017-Integrated Tax (Rate) Dated 23RD October 2017

Intra-State and inter-state supply by a registered supplier to a registered recipient for export liable for GST @ 0.1 % subject to the fulfillment of the following conditions:

(a) **Registered Supplier:**

(i) to supply the goods to the registered recipient on a tax invoice;

(b) **Registered Recipient:**

(i) to export the goods within ninety days from the date of issue of invoice;

(ii) to indicate the GSTIN and the tax invoice number of the supplier of the said goods in the shipping bill or bill of export, as the case may be;

(iii) is registered with an Export Promotion Council or a Commodity Board recognized by the Department of Commerce;

(iv) to place an order on for procuring goods at concessional rate and a copy to be provided to the jurisdictional tax officer of the registered supplier;

(v) **to move the said goods from place of registered supplier–**

(a) directly to the Port, ICD, Airport or Land Customs Station from where the said goods are to be exported; or

(b) directly to a registered warehouse from where the said goods have to move to the Port, ICD etc. from where the said goods are to be exported;

(vi) if intends to aggregate supplies from multiple registered suppliers and then export, the goods shall move to a registered warehouse and after the aggregation, goods shall move to the Port, ICD, Customs Station etc. from where they shall be exported.

(vii) to endorse receipt of goods on the tax invoice and also obtain acknowledgement of receipt of goods in the registered warehouse in the situation referred to in (vi) above from the warehouse operator and shall provide the same to the supplier as well as to the jurisdictional tax officer of such supplier; and

(viii) on exporting the goods to provide copy of shipping bill or bill of export having GSTIN and tax invoice of the supplier along with proof of export general manifest or export report having been filed to the supplier as well as his jurisdictional tax officer.

E Way bill under GST

What is E-way Bill

A waybill is a receipt or a document issued by a carrier giving details and instructions relating to the shipment of a consignment of goods and the details include name of consignor, consignee, the point of origin of the consignment, its destination, and route.

Legal Provisions

Rule 138 of the CGST Rules, 2017 provides for the e-way bill mechanism and in this context it is important to note that "information is to be furnished prior to the commencement of movement of goods" and "is to be issued whether the movement is in relation to a supply or for reasons other than supply".

Contents of E-way Bill

E-way bill is an electronic document generated on the GST portal evidencing movement of goods. It has two Components:

- Part A comprising of details of GSTIN of recipient, place of delivery (PIN Code), invoice or challan number and date, value of goods, HSN code, transport document number (Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number) and reasons for transportation; and
- Part B comprising of transporter details (Vehicle number).
- Every registered person who causes movement of goods (which may not necessarily be on account of supply) of consignment value more than Rs. 50000/- is required to furnish above mentioned information in part A of e-way bill. The part B containing transport details helps in generation of e-way bill.

Who should generate the e-way bill

E-way bill is to be generated by the consignor or consignee himself if the transportation is being done in own/hired conveyance or by railways by air or by Vessel. If the goods are handed over to a transporter for transportation by road, E-way bill is to be generated by the Transporter. Where neither the consignor nor consignee generates the e-way bill and the value of goods is more than Rs.50,000/- it shall be the responsibility of the transporter to generate it.

Generating the e-way bill, the parties to a supply (viz, Supplier, recipient, and the transporter will be allotted a unique e way bill number (EBN) without which movement of goods cannot be carried out in the GST regime.

Purpose of E-Way Bill

E-way bill is a mechanism to ensure that goods being transported comply with the GST Law and is an effective tool to track movement of goods and check tax evasion.

Validity of E-Way Bill

The validity of e-way bill depends on the distance to be travelled by the goods. For a distance of less than 100 Km the e-way bill will be valid for a day from the relevant date. For every 100 Km thereafter, the validity will be additional one day from the relevant date. The "relevant date" shall mean the date on which the e-way bill has been generated and the period of validity shall be counted from the time at which the e-way bill has been generated and each day shall be counted as twenty-four hours

Cancellation of E-Way Bill

Where an e-way bill has been generated under this rule, but goods are either not transported or are not transported as per the details furnished in the e-way bill, the e-way bill may be cancelled electronically on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within 24 hours of generation of the e-way bill.

Exceptions to e-way bill requirement

No e-way bill is required to be generated in the following cases

a) Transport of goods as specified in Annexure to Rule 138 of the CGST Rules, 2017

b) goods being transported by a non-motorised conveyance;

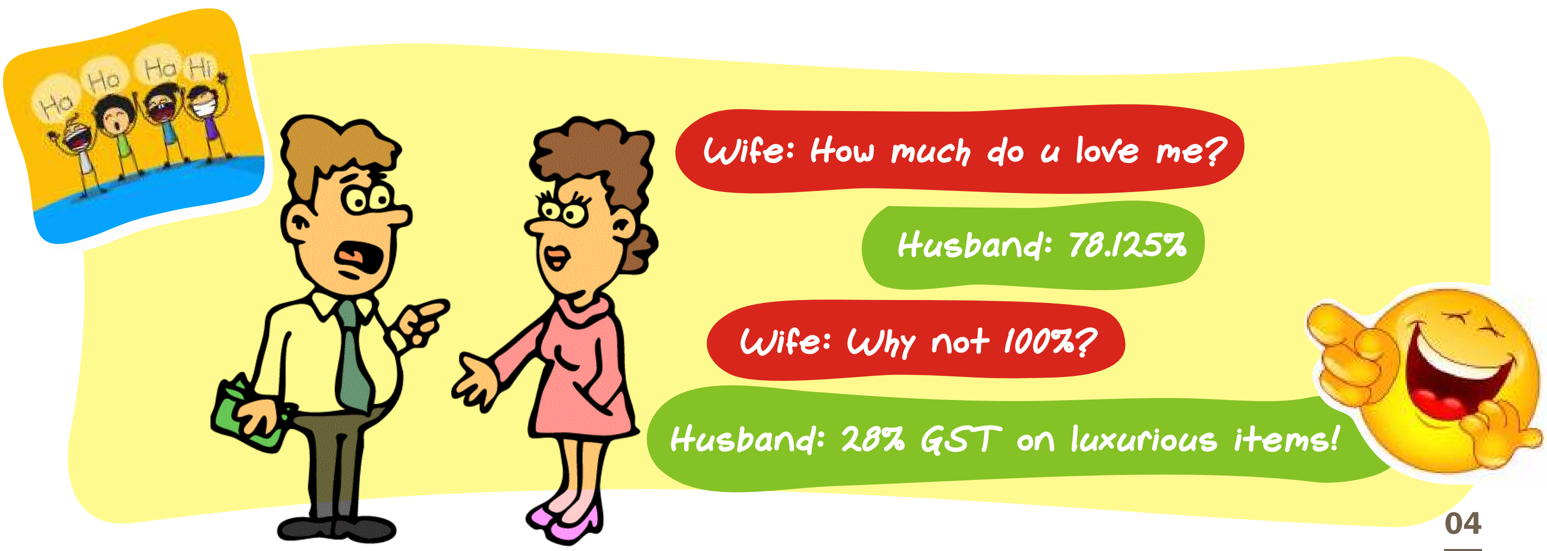
c) goods being transported from the port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs;

d) in respect of movement of goods within such areas as are notified under rule 138(14) (d) of the SGST Rules, 2017 of the concerned State; and

e) Consignment value less than Rs. 50,000/-

Consequences of non-conformance to E-way bill rules

A taxable person who transports any taxable goods without the cover of specified documents (e-way bill is one of the specified documents) shall be liable to a penalty of Rs.10,000/- or tax sought to be evaded (wherever applicable) whichever is greater.



Do You Know

CAPITAL GAIN & U

Introduction

Capital Gain arising on transfer of Shares and Securities or Immovable Properties is one of the favourite subject of many investors / Individual Tax Payers. Here are few updates related to this important topic

Capital Gain updates related to Shares and Securities -

1. **Not all LTCG of Listed Company Shares will be exempt from tax**

   In the 2017 Budget, an amendment was made to the provisions relating to the exemption for long-term capital gains on sale of listed equity shares on a recognised stock exchange. The amendment provided that the exemption would not apply to equity shares acquired from 1 October 2004 onwards, where no securities transaction tax (STT) was paid on the acquisition i.e. for claiming exemption it is not only sufficient that the shares must be sold on recognised stock exchange and STT to be paid but it must have been purchased through recognised stock exchange and STT must have been paid on it, at the time of such purchase.

2. **No Capital Gain on conversion of Preference Shares into Equity Shares**

   Any transfer by way of conversion of preference shares of a company into equity shares of that company shall not be regarded as "transfer" and hence shall not be liable for capital gain.

Capital Gain updates related to Immovable Properties -

1. **Immovable property held for 24 months only shall become Long Term Capital Asset –**

   Holding period of an Immovable Property being Land or Building or both is made 24 months to qualify as Long Term Capital Asset. As such benefit of LTCG on sale of property can be availed, anytime after the period of holding crosses 2 years.

2. **Capital Gain on Development Agreement –**

   Capital Gain Income of Individual and HUF from transfer of land or building or both under Registered Development Agreement shall be chargeable in the year in which completion certificate for whole or part of the property is issued by the competent authority. So, if Development agreement is executed in January 2018 and property completion certificate from PMC is received in March 2020 then capital Gain on such shall be chargeable in FY 2019-20 (year of completion) rather than FY 2017-18 (year in which Development Agreement is executed).

IMPORTANT
Income Tax Deductions for Individuals and HUF's

Section	Nature of Deduction	Who can claim
80CCC	Contributions to certain pension funds of LIC or any other insurer (up to Rs. 1,50,000) (subject to certain conditions)	Individual
80CCD	Contribution to pension scheme up to 10% of salary. Additional benefit of Rs 50,000/- for contribution to NPS – 80CCD (1B)	Individual
80D	Health Insurance (Mediclaim Premium) incl. expenses on preventive health check-up ▪ For self, spouse and dependent children : Rs. 25,000 (Rs. 30,000 if person insured is a senior citizen or very senior citizen); ▪ For parents of the assessee : (Additional) Rs. 25,000 (Rs. 30,000 if person insured is a senior citizen or very senior citizen) ▪ Aggregate amount of deduction cannot exceed Rs.60,000 in any case	Individual/HUF
80DD	Deduction of Rs. 75,000 (Rs. 1,25,000 in case of severe disability) to a resident individual/HUF where (a) any expenditure has been incurred for the medical treatment (including nursing), training and rehabilitation of a dependant, being a person with disability or (b) any amount is paid or deposited under an approved scheme by LIC or any other insurer for the maintenance of a dependent, being a person with disability (subject to certain conditions)	Resident Individual/HUF
80DDB	Expenses actually paid for medical treatment of specified diseases and ailments – Maximum deduction is Rs. 40,000 (Rs. 60,000 where expenditure is incurred for a senior citizen and Rs. 80,000 in case of very senior citizen	Resident Individual/HUF
80E	Interest on loan taken from financial institution/approved charitable institution for pursuing higher education (maximum period : 8 years)	Individual
80G	Donations to certain approved funds, trusts, charitable institutions/donations for renovation or repairs of notified temples, etc.	All assessees
80GG	Rent paid in excess of 10% of total income for furnished/unfurnished resi-dential accommodation (subject to maximum of Rs. 5,000 p.m. or 25% of total income, whichever is less) (subject to certain conditions)	Individuals not receiving any house rent allowance

Section	Nature of Deduction	Who can claim
80GGA	Certain donations for scientific, social or statistical research or rural development programme or for carrying out an eligible project or scheme or National Urban Poverty Eradication Fund (subject to certain conditions)	All assessees not having any income chargeable under the head 'Profits and gains of business or profession'
80U	Deduction of Rs. 75,000 to a resident individual who, at any time during the previous year, is certified by the medical authority to be a person with disability [in the case of a person with severe disability, allowable deduction is Rs. 1,25,000]	Resident individuals
	Rebates	
87A	Tax rebate in case of individual resident in India, whose total income does not exceed Rs. 3,50,000 quantum of rebate shall be an amount equal to hundred per cent of such income-tax or an amount of Rs. 2,500, whichever is less.	Individual

RERA Compliance -
Maharashtra Real Estate Regulatory Authority

Important Obligations of Promoter under RERA:

Section Ref	Important Obligation
Sec 3	To Register the project with RERA Authority before sell.
Sec 4	To Upload 5 years track record and project details on website. To Deposit at least 70% of amount collected from flat buyers in a separate scheduled bank account. Withdrawal only after certified by Architect, Engineer and Chartered Accountant.
Sec 11	To Disclose all the details of the project to customer To Form the society on booking majority flats
Sec 12	Not to give any misinformation in Advertisement
Sec 13	To Register the agreement on receiving 10% of the amount
Sec 14	To Adhere to approved plans & project specifications
Sec 15	To obtain NOC from 2/3rd flat buyer's and RERA Authority before creating any third party interest in the property
Sec 16	To obtain Insurance of Title and building
Sec 17	To Transfer the title within 3 months of OC
Sec 18	In case of default, to Refund and pay interest

RERA registration exemption available ONLY for:

1. Area less than 500 Sq Mtr or less than 8 units
2. Completed Projects where OC is granted
3. Renovation or repairs which does not involve re-allotment or marketing

Important Forms:

Form 1	Architect's Certificate	To be submitted at the time of Registration of Ongoing Project and for withdrawal of Money from Designated Account
Form 2	Engineer's Certificate	To be submitted at the time of Registration of Ongoing Project and for withdrawal of Money from Designated Account- Project wise
Form 3	Chartered Accountant's Certificate	For Registration of Project and Withdrawal of money from Bank Account
Form 4	Architect's Certificate	To be issued on completion of each of the Building/Wing
Form 5	Statutory Auditor's Certificate	Annual Report on Statement of Accounts

Due Date Diary for January to March 2018

Due Date	Category	Description
07-01-2018	Income Tax	Payment of TDS
10-01-2018	GST	Quarterly GSTR 1 for July to September
10-01-2018	GST	Monthly GSTR for the month(s) of July to November (for turnover over Rs 150 Lacs)
18-01-2018	GST	Quarterly return for composition dealers (GSTR-4)
20-01-2018	GST	GST monthly summary return for the month of December 2017 (GSTR-3B)
30-01-2018	Income Tax	Quarterly TDS Return
07-02-2018	Income Tax	Payment of TDS
15-02-2018	GST	GSTR 1 October to December 2017
15-02-2018	Income Tax	Issue of TDS Certificates for October to December Quarter
20-02-2018	GST	GST monthly summary return for the month of January 2018 (GSTR-3B)
07-03-2018	Income Tax	Payment of TDS
15-03-2018	Income Tax	Payment of Advance Income Tax
20-03-2018	GST	GST monthly summary return for the month of February 2018 (GSTR-3B)

Updates for Trust and NGO's

Important updates on Trust and NGO's

INCOME TAX

1. **One trust can donate to another trust –**
   Donation given by one public charitable trust to another public charitable trust is permissible in section 11 as application of income. However as per last year budget amendment, if one trust has contributed as Corpus Donation to other registered charitable trust, then it will not be allowable as application of Income of such trust.

2. **Modification of Objects clause –**
   If the trust has made any modifications in the object clause, then it needs to apply for fresh registration within 30 days of such change

3. **IT return filing must for claiming exemption u/s 11 and 12 –**
   It is compulsory for the trust to file annual Income Tax Return in order to get exemption u/s 11 and 12 of The Income Tax Act i.e. even though trust is registered u/s 12 and has applied at least 85% of its income to the charitable purposes, if it fails to file Income Tax Return, then the benefit of exemption shall not be available to the such trust.

NGO Darpan

The NGO-DARPAN is a platform that provides space for interface between VOs/NGOs and key Government Ministries / Departments / Government Bodies, to start with. Later it is proposed to cover all Central Ministries / Departments / Government Bodies.

This is a free facility offered by the NITI Aayog in association with National Informatics Centre to bring about greater partnership between government & voluntary sector and foster better transparency, efficiency and accountability. The NGO-DARPAN started out as an initiative of the Prime Minister's Office, to create and promote a healthy partnership between Vos / NGOs and the Government of India. The Portal is managed at present by NITI Aayog. **http://ngodarpan.gov.in/index.php/home.** The portal enables VOs/NGOs to enrol centrally and thus facilitates creation of a repository of information about Vos / NGOs, Sector / State wise. The Portal facilitates Vos / NGOs to obtain a system generated Unique ID, as and when signed. The Unique ID is mandatory to apply for grants under various schemes of Ministries / Departments / Governments Bodies.

All existing FCRA registered associations are required to register with DARPAN portal.

Tips for Better Financial Planning:

1. Have a Financial Calendar
2. Check your Interest Rates on Loans
3. Check your Net Worth
4. Set Specific financial Goals
5. Select financial products based on your necessity and Not for Tax benefits
6. Get financial and tax health check up done from expert

MCA - Condonation of Delay Scheme 2018

Introduction

The companies registered with ROC/MCA are required to file their Annual Financial statements and Annual Returns with the Registrar of Companies and non-filing of such reports is an offence under the said Act.

The Companies Act, 2013 effective from 01.04.2014, provide for disqualification of a director on account of default by a company in filing an annual return or a financial statement for a continuous period of three years.

Whereas, with a view to give an opportunity for the non-compliant, defaulting companies to rectify the default, the Central Government has decided to introduce a Scheme namely "Condonation of Delay Scheme 2018" [CODS-2018] as follows.

Period of the Scheme

The scheme shall come into force with effect from 01.01.2018 and shall remain in force up to 31.03.2018

Scheme Applicability

The scheme is applicable to all defaulting companies (other than the companies which have been stuck off/whose names have been removed from the register of companies under section 248(5) of the Act). A defaulting company is permitted to file its overdue documents which were due for filing till 30.06.2017 in accordance with the provisions of this Scheme.

'Overdue documents' means the financial statements or the annual returns or other associated documents, as applicable, in the case of a defaulting company.

"Defaulting company" means a company which has not filed its financial statements or annual return as required under the Companies Act, 1956 or Companies Act, 2013.

Procedure to be followed

In the case of defaulting companies whose names have not been removed from register of companies-

1. The DINs of the disqualified directors de-activated at present shall be temporarily activated during the validity of the scheme to enable them to file the overdue document.
2. The defaulting company shall file the overdue documents in the respectively prescribed e-Forms paying the statutory filing fee and additional fee payable as per section 403 of the Act read with Companies (Registration Offices and fee) Rules, 2014 for filing these overdue documents
3. The defaulting company after filing documents under this scheme, shall seek condonation of delay by filing form e-CODS 2018 attached to this scheme along with a fee of 30,000/- (Rs.Thirty Thousand only) as prescribed under the Companies (Registration Offices and Fee) Rules, 2014 well before the last date of the scheme.
4. The DINs of the Directors associated with the defaulting companies that have not filed their overdue documents and the e-form CODS, and these are not taken on record in the MCA21 registry and are still found to be disqualified on the conclusion of the scheme in terms of section 164(2)(a) r/w 167(1)(a) of the Act shall be liable to be deactivated on expiry of the scheme period.
5. In the event of defaulting companies whose names have been removed from the register of companies under section 248 of the Act and which have filed applications for revival under section 252 of the Act up to the date of this scheme, the Director's DIN shall be re-activated only NCLT order of revival subject to the company having filing of all overdue documents.

Scheme not to apply for certain documents

The scheme shall not apply to the filing of documents other than the following overdue documents:

(i) Form Number 20B/MGT-7- Form for filing Annual Return by a company having share capital.

(ii) Form 21A/MGT-7- Particulars of Annual return for the company not having share capital.

(iii) Form 23AC, 23ACA, 23AC-XBRL, 23ACA-XBRL, AOC-4, AOC-4(CFS), AOC (XBRL) and AOC-4(non-XBRL)– Forms for filing Balance Sheet / Financial Statement and profit and loss account.

(iv) Form 66- Form for submission of Compliance Certificate with the Registrar.

(v) Form 23B/ADT-1- Form for intimation for Appointment of Auditors.

> You are
> never too old to
> REINVENT
> YOURSELF
>
> Steve Harvey

A. Personal Goals –

1. Health ……………………………………………
2. Happiness ……………………………………
3. Entertainment ………………………………
4. Family Time …………………………………

B. Business Goals –

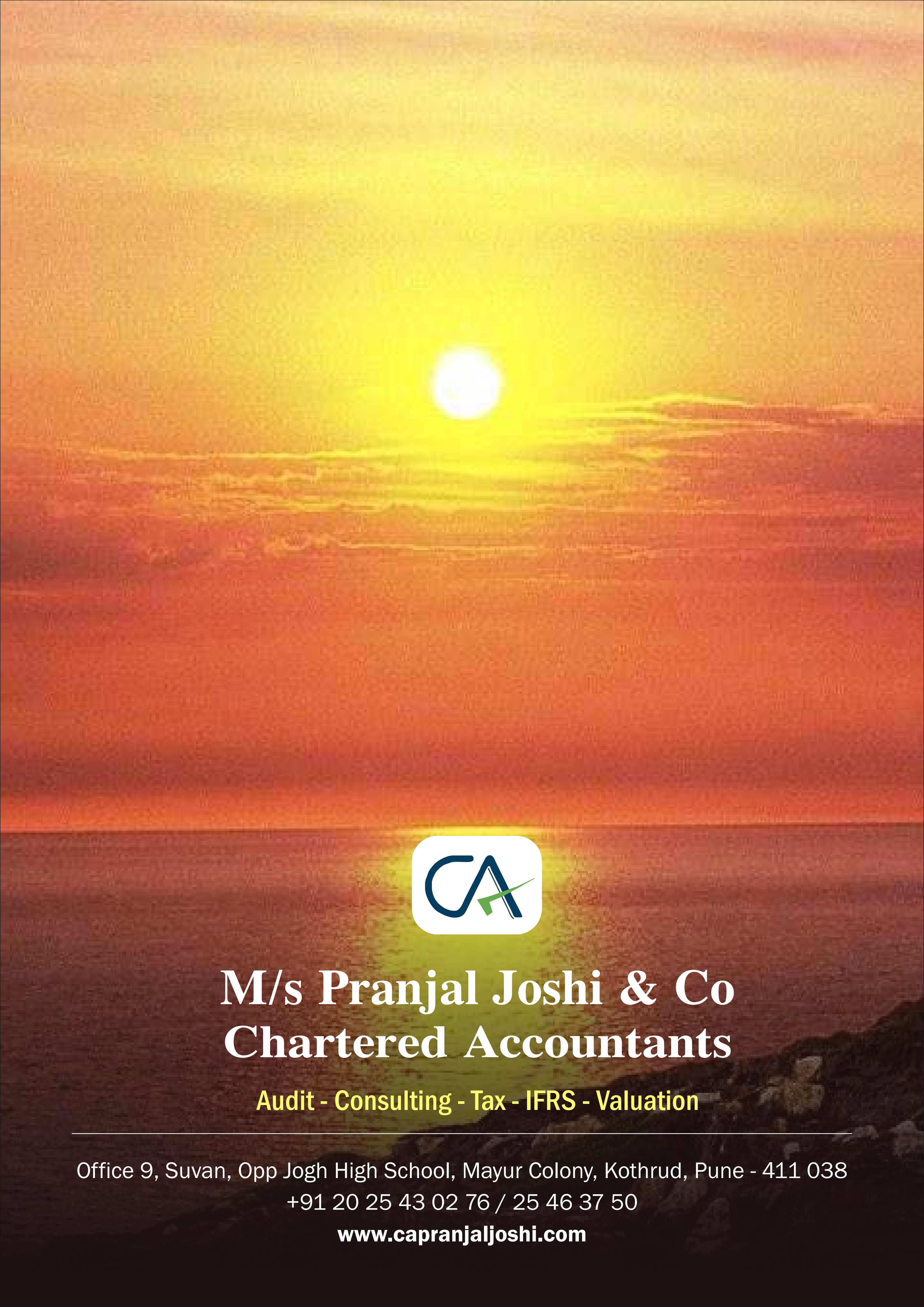
1. Earnings ……………………………………
2. Savings ………………………………………
3. New ventures ………………………………
4. Collaborations ……………………………

C. Spiritual Goals –

1. Pilgrimage …………………………………
2. New learning ………………………………
3. Mantra Chanting …………………………
4. Books …………………………………………

D. ………………………………………………

E. ………………………………………………



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