



D J A S & Co. | NEWSLETTER | DATE OF ISSUE: 1st SEPTEMBER, 2020

September - 2020 COMPLIANCE CALENDAR

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		01	02	03	04	05
06	07	08	09	10	11	12
	# IT TDS/TCS pmt Aug-20			# GSTR 7 for TDS of Aug-20 # GSTR 8 for TCS of Aug-20	# GSTR 1 for Aug-20 (month)	# GSTR 3B for T/o < 5 Cr for May-20 w/o pmt of int/ late fees for Category A
13	14	15	16	17	18	19
# GSTR 6 for Aug-20 (ISD)		All events of this date are provided below				
20	21	22	23	24	25	26
# GSTR 3B for T/o > 5 Cr for Aug-20 # GSTR 5 & 5A for Aug-20			# GSTR 3B for T/o < 5 Cr for Jun-20 w/o pmt of int/ late fees for Category A		# GSTR 3B for T/o < 5 Cr for Jun-20 w/o pmt of int/late fees for Category B	
27	28	29	30			
# GSTR 3B for T/o < 5 Cr for Jul-20 w/o pmt of int/late fees for Category A		# GSTR 3B for T/o < 5 Cr for Jul-20 w/o pmt of int/late fees for Category B	All events of this date are provided below			

Due dates for 15th September, 2020:

- GSTR 3B for turnover over Rs. 5 cr for May-20 without payment of interest or late fees for Category B
- Second instalment of advance tax under Income Tax Act, 1961 (Payment of 45% of income tax on estimated income for FY 2020-21)
- PF payment and return for Aug-20
- ESI payment and return for Aug-20

Due dates for 30th September, 2020:

- GST annual return and audit for FY 2018-19
- DIR-3 KYC for all directors for FY 2019-20
- DPT-3 and BEN-2 for FY 2019-20
- Last date for holding AGM (else GNL-1 maybe filed within 29th September, 2020 for 3 months extension)
- Form 11 for LLPs
- ITR for FY 2018-19

Category A: Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman & Nicobar Islands and Lakshadweep

Category B: Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu & Kashmir, Ladakh, Chandigarh and Delhi

Google calendar : <https://calendar.google.com/calendar/b/2?cid=aW5mby5kamFzQGdtYWlsLmNvbQ>

INTRODUCTION OF FORM GSTR-2B

The Government has introduced the facility of Form GSTR-2B for the taxpayers in GST common portal from the month of July-2020, however, this form has not been notified in GST laws till 31st August, 2020. Form GSTR-2B will be a static auto-drafted ITC statement of a taxpayer which will be generated every 12th of the succeeding month on the basis of information furnished by the suppliers of the taxpayer in GSTR-1 (Return for Outwards supplies), GSTR-5 (Non Resident taxable Person) and GSTR-6 (Input Service Distributor). For instance, for the month of July, 2020, it will capture all information from these returns from midnight of 12th July, 2020 till 23:59 hrs of 11th August, 2020. It will also contain information on import of goods from ICEGATE system including imports from SEZ Units from the month of August, 2020.

This will be an enabling instrument for the taxpayers as well as the GST authorities in implementing Rule 36 (4) of the CGST Rules, 2017 which restricts the taxpayer to avail and utilise only 10% of the eligible ITC over and above the eligible ITC as appearing in Form GSTR-2A. Prior to introduction of GSTR-2B, there was no mechanism to track the availment and utilisation of excess ITC as GSTR-2B is a dynamic form which changes on near real time basis upon uploading of GSTR-1, GSTR-5 or GSTR-6 by the suppliers.

The taxpayers may use Form GSTR-2B to ascertain its eligible ITC for any month as it will contain information in two parts. PART A will capture the summary of credit that may be availed and PART B will capture the summary of credit that shall be reversed.

'ITC Not Available' in Form GSTR-2B shall cover only two scenarios:

1. ITC not eligible as per Section 16 (4) of the CGST Act, 2017 i.e. taxpayers cannot avail ITC for invoices of the preceding financial year after due date of filing of returns of September of current year or filing of annual return of previous year, whichever is earlier.
2. ITC where supplier and place of supply are in same state while recipient is in another state. This situation arises in case of services rendered by hotels in another state.

There may be other situations where the taxpayer may not be eligible for availing ITC. In such situations, the taxpayer must self-assess such ITC and reverse the same while filing of returns. For instances, the taxpayer may not be eligible for ineligible inputs as envisaged in Section 17 (5) or may be ineligible due to personal consumption.

GST authorities will also be benefitted with this form, as they will now have a mechanism to verify the correctness and quantum of eligible ITC as per Rule 36 (4), which was not possible with help of dynamic Form GSTR-2A.

Therefore, due to its static nature, Form GSTR-2B will enable both taxpayer and GST authorities to ascertain correctly the amount of ITC which shall be availed and utilised by the taxpayer in his return in Form GSTR-3B for any month.

FACELESS ASSESSMENT UNDER INCOME TAX ACT

Prime Minister Shri Narendra Modi launched a platform for “Transparent Taxation - Honouring the Honest”, where he elaborated that the platform has major reforms like Faceless Assessment, Faceless Appeal and Taxpayers Charter. The PM said the ongoing reforms aim at making the tax system Seamless, Painless, Faceless. He said the Seamless system works to resolve the problems of a taxpayer instead of entangling him further. By being Painless he said, everything from technology to rules should be simple. Referring to the Faceless system he said there is no need for a direct contact between the Taxpayer and the Income Tax Officer in all matters of scrutiny, notice, survey or assessment.

Faceless Assessment scheme to cover assessment under 143(3) both limited and complete scrutiny as well as assessment under best judgement under 144. The scheme shall not cover cases with Central charges or cases assigned to International Tax charge.

Functions of various units under faceless assessments:

- All Communication with the assessee shall be done by the NeAC, including service of notice, calling for information etc.
- Assessment Unit (AU) to conduct assessment based on material available on record may seek further information from the assessee. The assessee may request for personal hearing via audio video mode.
- Verification Unit (VU) makes enquiry, cross verification, examination of books of accounts, examination of witnesses and recording of statements and such other functions as may be required for the purposes of verification.
- Technical Unit (TU) shall provide technical assistance or advice on legal, accounting, forensic, information technology, valuation, audit, transfer pricing, data analytics, management or any other technical matter.
- Review Unit (RU) shall review draft assessment orders and based on whether the relevant and material evidence has been brought on record, relevant points of fact and law have been duly incorporated in the draft order, the issues on which addition or disallowance should be made have been discussed in the draft order, the applicable judicial decisions have been considered and dealt with in the draft order, arithmetical correctness of modifications proposed, if any, and any other functions required for the purposes of review.

Against the draft assessment order the Assessee may request for personal hearing or oral submission against the draft order. After completion of assessment, all record to be transferred to jurisdictional Assessing Officer (AO) for taking further actions. In case NeAC may at any stage of the assessment, if considered necessary, transfer the case to the AO having jurisdiction over such case.

IMPORTANT UPDATES OF AUGUST – 2020

Indirect Taxes

GST common portal which had taken off from its website all GST returns older than 3 years for every taxpayer have restored the same in the portal. For instance, GST return pertaining to July-17 which was taken off from the common portal is now available for filing, viewing and downloading by taxpayer.

With effect from 1st September, 2020, interest will be charged only on net liability (net of input tax credit) of the taxpayer i.e. only on such portion of liability which is payable through Electronic Cash Ledger. However, as per press release dated 26.08.2020, CBIC has assured that no recoveries shall be made for the past period as well by the GST authorities.

With effect from 21st August, 2020, for obtaining GST registration, applicant must undergo aadhar authentication else the registration shall be granted only after physical verification of place of business in presence of the applicant.

GST common portal has launched the facility of GSTR-2B for taxpayers. It is a static statement and will be made available for each month, on the 12th day of the succeeding month. It is also expected that GSTR-2B will help in reduction in time taken for preparing return, minimising errors, assist reconciliation & simplify compliance relating to filing of returns.

The functionality to claim GST refund for more than one financial year has been activated in the GST common portal as per Circular No. 135/05/2020 – GST dated 31st March, 2020.

Direct Taxes

The Prime Minister of India, Shri Narendra Modi, on August 13, 2020 has launched platform for ‘Transparent Taxation – Honoring the Honest’ to carry forward the journey of direct tax reforms. He has unveiled **Faceless Assessments, Faceless Appeals and Taxpayers Charter**. The Faceless Assessments have been implemented from August 13, 2020 whereas Faceless Appeal shall be allowed from September 25, 2020.

CBDT in its circular has advised banking companies to refund levy of any fees of transaction made through BHIM-UPI, RuPay Debt card & UPI-QR Code as modes prescribed under the provisions of the Act.

TDS at higher rate due to non-furnishing of PAN shall not be applicable in case of non-resident, not being a company, or a foreign company, if payment made by Category I or II AIF located in IFSC, if the non-resident has provided information required under the Act and TDS has been deducted as per provisions under the Act.

For improvement in delivery of services to taxpayers and greater transparency in the working of the Income Tax department, CBDT has directed that Directorates of Investigation (Investigation Wing) and Commissionerates of TDS, only and exclusively shall act as “Income-tax Authority” for the purposes of surveys. The approval for such surveys must be obtained from DGIT (Inv) for investigation wing and Pr. CCIT / CCIT (TDS) for TDS charges, as the case may be.

Corporate Law

MCA has notified Companies (Management and Administration) Amendment Rules, 2020 wherein it has clarified that companies shall not be required to attach the extract of the annual return in Form MGT-9 with board report in case the web link of such return has been disclosed in the board report.

MCA has amended Schedule VII to increase the scope of donation made under CSR, whereby any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for FY 2020-21 to 2022-23.

Business Update

Under its Atmanirbhar Bharat and Make in India vision, GoI is promoting *In Bond Manufacturing & Other Operations* which offers deferred import duty on capital goods and raw material or inputs used in bonded manufacturing. The import duty gets remitted if the finished goods are exported out of India.

West Bengal has introduced **BANGLASHREE** Scheme for MSMEs operating in the state. This scheme will provide capital and operational subsidy to eligible MSMEs for eligible projects. This scheme is applicable from 1st April, 2020 till 31st March, 2025 which will cover projects which have started production on or after 1st April, 2019.

ABOUT US

D J A S & Co. is a chartered accountants firm headed by young and passionate Chartered Accountants who understand the dynamics of the changing need of industries from regulation & compliance perspective and keep themselves abreast with almost every day updates / changes in Indian and International law. Known for their impeccable record in delivering value to their business partners in the form of taxation consultancy, litigation handling, auditing & assurance and processes / system improvement - their values of customer first, transparency with client, knowledge centric approach for employees and article assistants while maintaining their integrity is worth calling out for.

EDITORIAL TEAM

Deepak Jain
Anupam Sarda
Aditi Kedia

Contact details:

Commerce House, 9th Floor, Room 10A,
2A, Ganesh Chandra Avenue, Kolkata – 700 013

Email: info.djas@gmail.com

Mob: +91 99030 76196 / +91 98360 41458

Website: www.djas.co.in

IF YOU THINK COMPLIANCE IS EXPENSIVE, TRY NON – COMPLIANCE

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