



Weekly GST Communique



GST

Important Judgment of the week

- No Recovery till the time demand raised in accordance with law after search

Important Notifications, Circular of the week

- CBIC further extends the due date for filing Form GSTR-4 for the F.Y. 2019-20 to Oct 31, 2020
- CBIC extends the time limit for compliance of Anti Profiteering Measures u/s 171 of the CGST Act, till Nov 30, 2020
- CBIC has laid down the Procedure to Roll out of All India Faceless Assessment of Import of Goods by Oct 31, 2020
- DGFT prescribes a limit on MEIS benefits available to exporters on exports made from 01.09.2020 to 31.12.2020
- DGFT allowed one time extension on export authorizations for SCOMET Items

Important Press Releases of the week

- GST collection in the month of August, 2020 is ₹ 86,449 crore
- FM Nirmala Sitharaman reviews status of ECLGS, PCG Scheme 2.0 and sub-ordinate Debt Scheme
- Piyush Goyal says country's exports and imports are showing positive trends
- New portal launched for MSME registration to boost ease of doing business

Important Updates of the week

- Compliance Calendar for the month of September 2020
- GSTN: New functionalities made available for TCS and Composition taxpayers
- GSTN has started generating system computed liability for GSTR-3B, on the basis of GSTR-1 filed by the taxpayers
- GSTN has enabled various options in Form GSTR-2A for the ease of taxpayers like GSTR-1/5 filling date/status & GSTR-3B filing status

Videos of the week

- Intricacies in Place of Supply of Goods and Services in GST || CA Bimal Jain
- Who will Pay GST on Goods Transport Agency (GTA) under RCM || CA Bimal Jain
- When GTA need to take registration and What GST rates can be opted by GTA || CA Bimal Jain

Income Tax

Important Notification, Circular of the week

- CBDT permits sharing of information by I-T authorities with scheduled commercial banks
- CBDT issued clarification on imposition of charge on prescribed electronic modes u/s 269SU of IT Act, 1961

Important Press Releases of the week

- CBDT provides ITR Filing Compliance Check Functionality for scheduled commercial banks
- I-T department carries out search and seizure operations on prominent businessmen in J&K

Important Update of the week

- CBDT issues over ₹98,625 crore to 26.2 lakh taxpayers since April

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GST

Important Judgment of the week

No Recovery till the time demand raised in accordance with law after search



High Court of Madhya Pradesh



The Hon'ble HC, MP in the matter of ***Som Distilleries Pvt. Ltd. v. Directorate General of GST Intelligence [W.P. No. 9650 of 2020 dated July 22, 2020]*** observed that during search and seizure operation, authorities projected a liability against the Som Distilleries Pvt. Ltd. (**"the Petitioner"**) on basis of certain figures and arrested two of its shareholders in exercise of power under Section 69 of the Central Goods and Service Tax Act, 2017 (**"CGST Act, 2017"**). It was held that , no recovery to be made by Revenue till the time demand is raised in accordance with law.

Facts:

The Petitioner is engaged in manufacturing sanitizers. Search and seizure operation was carried out by Revenue authorities (**"Respondents"**) at the premises of the Petitioner and it was noticed that 20 Lakh liters of sanitizer were manufactured by the Company.

Therefore, a liability was projected against the Petitioner (Som Distilleries Pvt. Ltd.) on basis of certain figures and two shareholders of the Petitioner Company were arrested in exercise of power under Section 69 of the CGST Act, 2017.

The Petitioner contended that there was no reasons to conduct search and also no adjudication regarding quantum of tax allegedly evaded was done. The Petitioner deposited amount of INR 8 Crores under protest as was required by the Respondents.

Further, other employees and directors etc. of the Petitioner were being threatened to be arrested.

Issue:

Whether recovery proceedings can be made without adjudication regarding quantum of tax.

Held:

The Hon'ble HC, MP in ***W.P. No. 9650 of 2020 dated July 22, 2020*** held as under:

- The Court directed that no coercive action shall be taken against the Petitioner.
- The Respondent shall remain bound by their assurance that no further recovery shall be effected till the demand is raised in accordance with law and the matter is being kept for further hearing.
- However, the Court clarified that the grant of interim protection regarding coercive steps shall not debar the Respondents from carrying on the investigation till the next date of hearing.
- The matter is now listed on September 09, 2020 for further hearing.

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Important Notifications, Circular of the week

CBIC further extends the due date for filing Form GSTR-4 for the F.Y. 2019-20 to Oct 31, 2020



The CBIC vide **Notification No. 64/2020 dated August 31, 2020**, which further extends the due date for filing of Form GSTR 4 i.e. Annual Return for the FY 2019-20 from August 31, 2020 to October 31, 2020.

Note: CBIC has amended Notification No. 21/2019 – CT dated April 23, 2019 to extend the due date for filing Form GSTR-4.

The Notification can be accessed at: <https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-64-central-tax-english-2020.pdf>.

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CBIC extends the time limit for compliance of Anti Profiteering Measures u/s 171 of the CGST Act, till Nov 30, 2020



CBIC vide Notification No. 65/2020 - CT dated September 01, 2020, has notified the time period for Section 171 of the CGST Act, and extends the time period of compliance till November 30, 2020, by further amending the Notification No. 35/2020 - CT dated April 03, 2020.

Therefore, any time limit for completion or compliance of any action, by any authority, has been specified in, or prescribed or notified under section 171 i.e. Anti Profiteering Measures of the CGST Act, which falls during the period from March 20, 2020 to November 29, 2020, and where the completion or compliance of such action has not been made within such time, then, the time-limit for completion or compliance of such action shall be extended up to November 30, 2020.

The Notification can be accessed at: <http://egazette.nic.in/WriteReadData/2020/221487.pdf>

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CBIC has laid down the Procedure to Roll out of All India Faceless Assessment of Import of Goods by Oct 31, 2020**Background:-**

Kind reference is invited to Board Circulars No.28/2020-Customs, dated 05.06.2020 and No. 34/2020-Customs, dated 30.07.2020, launching Phases I and II of Faceless Assessment, respectively, under the umbrella of the next generational Turant Customs program. The key elements of the Turant Customs program are Faceless, Contactless, and Paperless Customs clearance processes. This includes faceless or anonymized assessment, self-registration of goods by importers, automated clearances of bills of entry, digitization of Customs documents, etc. The objectives sought to be achieved are exponentially faster clearance of goods, the reduced interface between trade and Customs officers, and enhanced ease of doing business. The phased launch of the Turant Customs program in select ports of import was aimed at testing in a real-life environment, the IT capabilities as well as the responsiveness of the trade and Customs officers to the various initiatives. The results have been reviewed and these have confirmed that the stated objectives are being met. The stage is now set for extending the Turant Customs program across all Customs ports pan India and thereby ushering in a more modern, efficient, and professional Customs administration with resultant benefits for trade and industry.

Faceless Assessment, duly supported by Paperless and Contactless Customs clearance processes, is a critical reform. As you are aware, the pilot program of Faceless Assessment was launched in Chennai on 14.08.2019 for primarily electrical machinery falling under Chapter 85 of the Customs Tariff Act, 1975. This pilot program was subsequently expanded to Ahmedabad, Bengaluru, Delhi, Mundra and Visakhapatnam for goods primarily falling under Chapters 39, 84, 86 to 92, 72 to 83 and 50 to 71 of the Customs Tariff Act, 1975. These pilot programs helped test Faceless Assessment, first in the same Zone (e.g. imports at Chennai seaport and air-cargo were assessed by Customs officers in either location instead of only in the port/air-cargo of import) and then across Zones (e.g. imports at Chennai sea/air-cargo were assessed by Customs officers at Bengaluru air-cargo/ICD and vice versa). These pilot programs were followed by the launch of Phase I of Faceless Assessment on 05.06.2020, cutting across the Customs formations in Chennai and Bengaluru for articles

primarily falling under Chapters 84 and 85 of the Customs Tariff Act, 1975. Phase II of Faceless Assessment, which was begun on 03.08.2020 at Customs formations in Chennai, Bengaluru, Delhi, for goods falling under the Chapters 50 to 71, 84, 85 and 86 to 92 of the Customs Tariff Act, 1975 and at Customs formations in Mumbai, for goods falling under the Chapter 29 of the Customs Tariff Act, 1975. As aforesaid, the results have been encouraging.

Clarification:-

CBIC vide Circular No. 40/2020 - Customs dated September 04, 2020, the board has decided to roll-out the Faceless Assessment at an All India level in all ports of import and for all imported goods by 31.10.2020. The detailed roll-out plan in phases covering different Customs Zones and Chapters of the Customs Tariff Act, 1975, including the existing Phases I and II, is given in Annexure I.

1. Constitution of National Assessment Centres (NACs) :

1.1. Vide para 4 of Circular No.28/2020-Customs, dated 05.06.2020, it was intimated that the designated nodal Commissioners would be precursors to the National Assessment Centres (NACs). Accordingly, **the Board has decided to constitute a total of 11 NACs, as mentioned in the Annexure-II. These NACs are organized commodity-wise according to the First Schedule to the Customs Tariff Act, 1975.** The rationale for the selection of a Zone in the NAC is the share of volume of the import of the particular commodity group(s) in its Zone as compared to the All India imports and/or share of contributed by the said commodity group(s) or the share of import of the particular commodity group(s) in their own Zones, while the rationale for the selection of a Conveners for the NAC is its share of the All India revenue contributed by the said commodity group(s) or the share of the revenue contributed by the particular commodity group(s) in their own Zones.

1.2. *Each NAC shall be co-convened by the Principal Chief Commissioners/Chief Commissioners of the Zones mentioned in Column 4 of Annexure-II.*

1.3 *Each NAC shall consist of the Principal Commissioners/ Commissioners of Customs from the Zones indicated in Column 3 of Annexure-II as a member.*

1.4 For each NAC the Principal Chief Commissioners/ Chief Commissioners, having jurisdiction over the Zones, shall nominate a nodal Principal Commissioners/ Commissioners. The rationale for the nomination would be the volume of the import of the particular commodity group(s) in the Zone as compared to the All India imports and/or share of import of the particular commodity group(s) in their own Zones. The Board shall be informed about the nomination of the Principal Commissioners/ Commissioners and the same shall be published on the departmental website.

A: Responsibilities of NAC:

1.5 The NACs have a critical role in the successful implementation of Faceless Assessment. In addition to their existing work, the NACs need to work in a coordinated manner to ensure that all assessments are carried out in a timely manner and there is no delay or hold up of the Bills of Entry. The NACs would also examine the assessment practices of imported goods across Customs stations to bring about uniformity and enhanced quality of assessments. The important responsibilities of the NACs shall include the following:

- I. Monitor the assessment practice for enhancing uniformity of classification, valuation, exemption benefit and compliance with import policy conditions.

- II. Assess the application of Compulsory Compliance Requirements (CCRs) and ensure uniform practices in accordance with the relevant statutes/Legal provisions.
- III. Study audit objections and take corrective actions regarding assessments, wherever necessary and provide inputs to the concerned ports of import.
- IV. Analyse the RMS facilitated Bills of Entry pertaining to Chapters falling under their purview and advise the DGARM regarding possible interventions or review of risk parameters.
- V. Liaise with Principal Commissioner/Commissioner of Customs at ports of import about interpretational issues pertaining to classification, valuation, scope of exemption notifications and trade policy conditions.
- VI. Interact with sectoral trade and industry for inputs, and on issues relating to assessment.
- VII. Function as a knowledge hub or repository for that particular Chapter(s);
- VIII. Examine the orders/appellate orders in relation to assessment practices pertaining to goods assigned to each Faceless Assessment Group and provide inputs to the Commissionerates for uniformity of assessment orders before legal fora.

IX. Constitute Working Groups for matters relating to:

- a) Monitoring for timely assessment of Bills of Entry
- b) Valuation and related issues
- c) Classification and related issues
- d) Restrictions and prohibitions and Co-ordination with PGAs
- e) Communication and Outreach for departmental officers and trade
- f) Any other matter relevant to timely and uniform assessment, as may be decided.

B: Responsibilities of Co-conveners of NAC:

1.6 The Co-conveners of NAC shall provide overall leadership and monitor the functioning of the NACs. The important responsibilities of NAC Co-conveners in regard to the NAC shall include the following:

- I. The nomination of Principal Commissioners/ Commissioners as Members of the NAC from the Zones mentioned in column 3 of Annexure-II.
- II. Ensure setting up Working Groups within NACs for the smooth functioning of NACs.
- III. Ensure that NACs develop expertise over the assigned Faceless Assessment Group in different facets of assessment such as classification, valuation, prohibitions & restrictions etc.
- IV. Co-ordinate with other Directorates and NACs for various functions mentioned in paras 5.7 & 5.8 of this Circular.
- V. Make recommendations to the Board for policy considerations.

C: Co-ordination Among NAC Commissioners:

1.7 Since the Nodal Principal Commissioners/ Commissioners are spread across different geographical locations, following co-ordination measures may be institutionalized at the initial phase, which will go a long way in bringing efficiency to the functioning of NACs:

- I. **Continuous assessment** – Ensure that verification of the assessment is not held up if there is an official holiday for the members of the FAG in a particular location. This could be done by having this work done at multiple locations.

- II. **Daily Web meeting** – The Working Groups may virtually meet for a short duration every day at a scheduled time to review timeliness of assessment, identify bottlenecks and take measures to remove difficulties. The link shall be made available to the Chairman, Member Customs, Zonal Member(s) and Joint Secretary (Customs), CBIC and the Co-convenors of concerned NAC, to enable participation in the online meeting room.
- III. **Weekly web meeting** – The Working Groups may have a web meeting for a short duration once a week at a scheduled time to review classification, valuation, exemption notifications, prohibitions and restrictions in order to identify divergent practices and ensure uniformity.
- IV. **Monthly web meeting by Co-convenors:** The Co-convenors of the NAC shall have a web meeting, at least once in a month to review the functioning of the NACs.

D: Co-ordination of NACs with Other Directorates:

1.8 NACs shall also coordinate with:

- I. Directorate of Revenue Intelligence (DRI) and Directorate General of GST Intelligence (DGGI) related to the management of alerts undertaken by the NAC.
- II. Directorate General of Valuation (DGoV) to enhance expertise related to sensitive commodities handled. DGoV shall also appoint a nodal person for every NAC for better co-ordination.
- III. Directorate General of Analytics and Risk Management (DGARM) to provide feedback and enhance risk assessment and accuracy of CCR Instructions.
- IV. National Academy of Customs and Indirect Taxes (NACIN) to hold capacity building sessions for departmental officers.
- V. Directorate General of Taxpayer Services (DGTS) to enhance outreach measures to the taxpayers by providing content, faculty for holding webinars, workshops etc.
- VI. Directorate General of Audit (DG Audit) and Audit Commissionerates related to audit objections and feedback.
- VII. Directorate General of Systems and Data Management (DG Systems) in regard to System issues and enhancements.
- VIII. Any other formations in CBIC to fulfil the stated objectives. Pre-launch preparation for Faceless Assessment: 5.9 Before the rollout of Faceless Assessment, the Nodal Commissioners in the NAC shall co-ordinate to take all measures to ensure that Faceless Assessment is smooth and creates no disruption in the assessment and clearance of goods.

The following important measures may be undertaken by the NAC before the launch:

- I. The Customs locations within each Zone, performing Faceless Assessment may be identified. The volume of import and availability of adequate officers may be taken into consideration for such identification.
- II. Nominate sufficient number of officers for the Faceless Assessment. The officers should be more than two at all levels, to ensure availability. To the extent possible, dedicated team of officers may be posted to the Faceless Assessment Groups.
- III. Identify variations, if any, in assessment practices and harmonise them for application across FAGs.
- IV. Take into account audit objections, judicial and quasi-judicial decisions accepted by the Department relating to the assessment of the goods to be handled by the Faceless Assessment Groups under the concerned NAC and circulate among the FAGs for uniformity of assessment.

- V. Organize training on roles and functionalities in ICES related to Faceless Assessment including MIS Reports and Dashboards.

1.10. To ensure smooth implementation of Faceless Assessment & to sensitize both the departmental officers and the trade, Directorate General of Taxpayer Services (DGTS) in coordination with Customs Policy Wing shall organize extensive outreaches via online webinars/ promotional videos etc.

2. Conference on Tariff & Other Customs Matters:

2.1 Joint Secretary, Customs, (CBIC) would be responsible for coordinating with the NACs in organizing a Conference on Tariff & Other Customs Matters every 6 months to review the functioning of the NACs and FAGs. The Conference would be chaired by Member (Customs).

Further, Board has issued Notification No.85/2020-Customs (N.T.) dated 04.09.2020 by virtue of which the Commissioners of Customs (Appeals) are empowered take up appeals filed in respect of Faceless Assessments pertaining to imports made in their jurisdictions even though the Faceless Assessment officer may be located at any other Customs station. To illustrate, Commissioners of Customs (Appeals) at Bengaluru would decide appeals filed for imports at Bengaluru though the Faceless Assessment officer is located at any other port of the country, say Delhi.

The Circular can be accessed at: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-40-2020.pdf>

DGFT prescribes a limit on MEIS benefits available to exporters on exports made from 01.09.2020 to 31.12.2020



Ministry of Commerce and Industry vide *Notification No. 30/2015-20 dated September 01, 2020*, has set a limit on MEIS Benefits available to the exporters on exports made from 01.09.2020 to 31.12.2020. The total reward which can be claimed by an IEC holder does not exceed the ceiling of Rs. 2 Cr. Further, it has also been notified that any IEC holder who has not made any exports for a period of one year preceding 01.09.2020 or

The Notification can be accessed at: <https://content.dgft.gov.in/Website/dgftprod/4a37d60a-f0bf-4783-bc67-a17131168d46/N30E.pdf>

A conceptual image showing a small globe of the Earth resting on a laptop keyboard. The globe is surrounded by numerous cardboard boxes of various sizes, some of which are stacked. The keyboard keys are visible, including 'Q', 'W', 'E', 'R', 'T', 'Y', 'U', 'I', 'O', 'P', 'A', 'S', 'D', 'F', 'G', 'H', 'J', 'K', 'L', 'Z', 'X', 'C', 'V', 'B', 'N', 'M', and function keys like 'alt' and 'mode'. The image symbolizes global logistics and e-commerce.

The trade Notice can be accessed at: <https://content.dgft.gov.in/Website/dgftprod/Trade%20Notice%20No%20%2026%20dated%2031-08-2020>

Important Press Releases of the week

GST collection in the month of August, 2020 is ₹ 86,449 crore

GST collection

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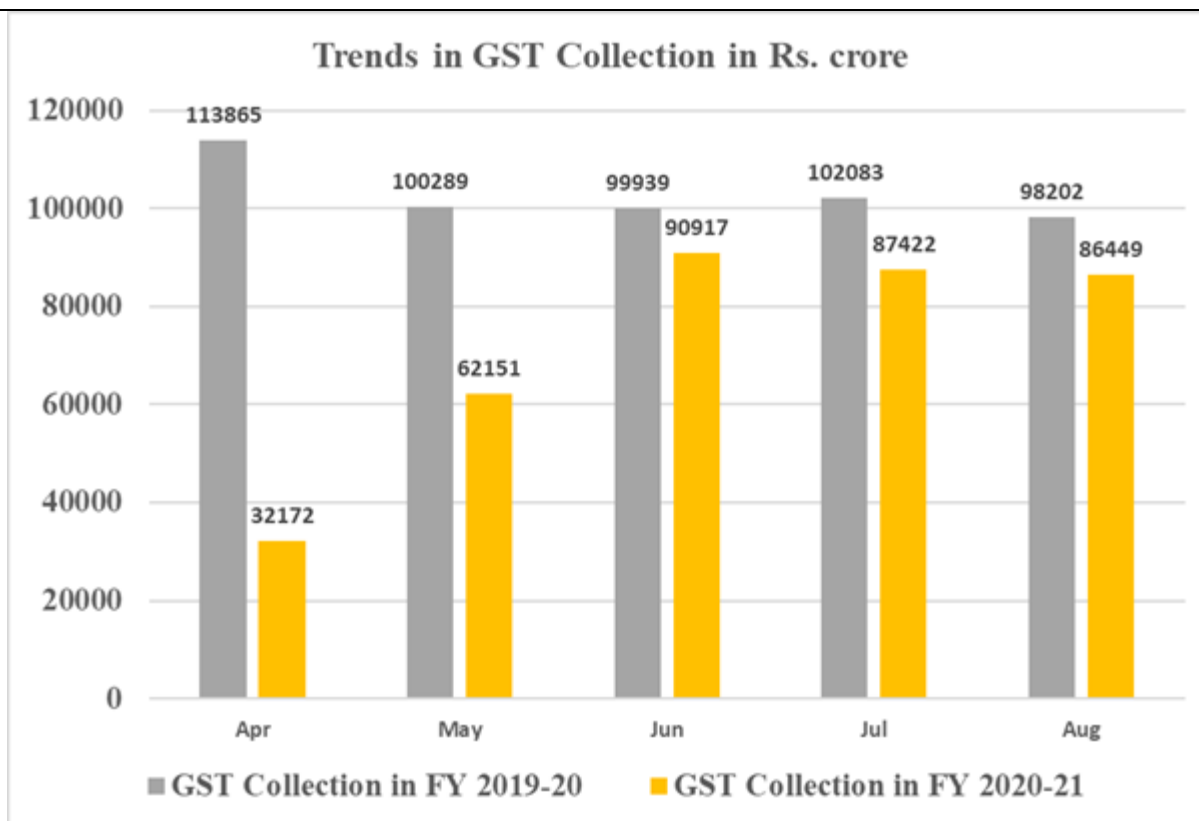


The gross GST revenue collected in the month of August, 2020 is ₹ 86,449 crore of which CGST is ₹ 15,906 crore, SGST is ₹ 21,064 crore, IGST is ₹ 42,264 crore (including ₹ 19,179 crore collected on import of goods) and Cess is ₹ 7,215 crore (including ₹ 673 crore collected on import of goods).

The government has settled ₹ 18,216 crore to CGST and ₹ 14,650 crore to SGST from IGST as regular settlement. The total revenue earned by Central Government and the State Governments after regular settlement in the month of August, 2020 is ₹ 34,122 crore for CGST and ₹ 35,714 crore for the SGST.

The revenues for the month are 88% of the GST revenues in the same month last year. During the month, the revenues from import of goods were 77% and the revenues from domestic transaction (including import of services) were 92% of the revenues from these sources during the same month last year. It may also be noted that the taxpayers with turnover less than Rs. 5 crore continue to enjoy relaxation in filing of returns till September.

The chart shows trends in monthly gross GST revenues during the current year. The table shows the state-wise figures of GST collected in each State during the month of August 2020 as compared to August 2019 and for the full year.



The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1650411>

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FM Nirmala Sitharaman reviews status of ECLGS, PCG Scheme 2.0 and sub-ordinate Debt Scheme

Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman held a review meeting with the heads of Scheduled Commercial Banks and NBFCs through Video Conferencing today to review their state of preparedness for implementation of the loans resolution framework for COVID-19 related stress. During the meeting, Smt. Sitharaman impressed upon the lenders that as and when moratorium on loan repayments is lifted, borrowers must be given support and COVID-19 related distress must not impact the lenders' assessment of their creditworthiness. During her interaction, the Finance Minister focused on:-

- **Lenders immediately putting in place Board-approved policy for resolution, identifying eligible borrowers and reaching out to them**
- **Quick implementation of a sustained resolution plan by lenders for revival of every viable business**

The Finance Minister also emphasised that Resolution schemes must be rolled out by lenders by 15th September, 2020, and a sustained media campaign to create awareness be carried out thereafter. She advised lenders to ensure that regularly updated FAQs on the resolution framework are uploaded on their websites in Hindi, English and regional languages, and also circulated to their offices and branches.

The lenders assured that they are ready with their resolution policies, have started the process of identifying and reaching out to eligible borrowers, and that they will comply with the timelines stipulated by the Reserve Bank of India (RBI).

The Ministry of Finance has also been engaging with RBI to ensure that the lenders are assisted by RBI in the resolution process.

The Finance Minister also reviewed the progress made by various lenders under ECLGS, PCGS 2.0 and Sub-ordinate Debt Schemes announced as part of the 'Aatmnirbhar Bharat Abhiyaan', and advised lenders to try and extend the maximum possible relief to borrowers before the festive season. **An amount of Rs. 1.58 lakh crore has been sanctioned as on 31.8.2020 under ECLGS, out of which more than Rs. 1.11 lakh crore has also been disbursed. Under PCGS 2.0, Bonds/CPs of Rs. 25,055.5 crore have been approved for purchase by Public Sector Banks so far, out of which Rs. 13,318.5 crore amounting to more than 53% of the portfolio pertains to Bonds/CPs rated below AA-. The Scheme has thus been a crucial intervention for lower rated Bonds/CPs.**

The Finance Minister appreciated the efforts of banks and NBFCs during the lockdown in effective implementation of the Pradhan Mantri Garib Kalyan Yojana and the Aatmnirbhar Bharat related measures. The Finance Minister also exhorted the lenders to proactively respond to needs of companies and businesses, as well as those of individual borrowers, and to spearhead the efforts for rebuilding businesses desperate for help owing to COVID-19 related distress.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1650985>

Piyush Goyal says country's exports and imports are showing positive trend



Union Minister of Commerce and Industry Shri Piyush Goyal today met the Office-bearers of various Export Promotion Councils (EPCs), to discuss the issues concerning the country's global trade, ground level situation, and problems being faced by the exporters. Shri Goyal has been holding a series of discussions with the EPCs, particularly since the lockdown. The Commerce Secretary Dr. Anup Wadhawan, DGFT Shri Amit Yadav and other senior officers of the Ministry were present in the meeting.

In his opening remarks, the Minister said that the country's exports, as well as imports, are showing positive trends. **The exports are approaching the last year's levels, after making a sharp dip in April this year due to pandemic. Regarding imports, the positive thing is that the Capital Goods imports have not declined, and the reduction in imports has been seen mainly in crude, gold and fertilizers.** He added that the trade deficit is reducing drastically and our share in the global trade is improving, thanks to our resilient supply chains, and perseverance and hardwork of our exporters. The minister also said that we are trying to generate more reliable and better trade data so that nation can do better planning and frame policies accordingly.

The Minister said that 24 focus manufacturing sectors have been identified which have the potential to expand, scale-up operations, improve quality, and lead enhancement of Indian share in global trade and value chain. These sectors have capacity to do import substitution and push exports. He said that India is being seen in the world as trusted and resilient partner in global value chain.

On the issue of recent changes in the Merchandise Export from India Scheme (MEIS), the Minister said that the capping of Rs 2 Crore will not affect 98% of the exporters who claim benefit under the scheme. **The Government has already announced Remission of Duties or Taxes on Export Products (RoDTEP) scheme for exporters to take the place of MEIS, and a Committee has also been set up to determine the ceiling rates under the RoDTEP scheme.** This new scheme would reimburse the embedded taxes and duties already incurred by exporters.

The Minister, after listening to the challenges, experiences and suggestions of the EPC office-bearers, expressed thanks for their valuable feedback, saying that Macro-numbers sometimes don't make one realize the difficulties being faced by the Exporters. He acknowledged that certain sectors, which are primarily dependent on the discretionary spending, are under severe stress. Shri Goyal promised to help the Exporters as much as possible, and also take up such issues, which fall outside the ambit of the Ministry of Commerce and Industry, with concerned departments. He said that SEZ issues are being taken up with the Finance Ministry. He called upon the exporters to engage with the Steering Committee set up to promote Indian manufacturing.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1651202>

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New portal launched for MSME registration to boost ease of doing business



The MSME registration portal Udyam Registration launched by the government for small businesses to register online and as per the revised MSME definition has already seen nearly 4 lakh registrations, MSME Ministry said on Wednesday. The portal became operational on July 1 and **“as on September 1, close to 4.00 lakh registrations have already taken place,”** the ministry said in a statement.

Apart from new entrepreneurs who want to register their units as MSMEs, businesses which are registered are Entrepreneurs Memorandum (EM) part II or Udyog Aadhaar Memorandum (UAM) can also migrate to Udyam by re-registering themselves. **The government had introduced the portal for paperless and free of cost registration of MSMEs based on self-declaration in an effort to boost ease of doing business.**

The government has also integrated Udyam with the government’s e-commerce marketplace GeM and platform to facilitate invoice financing Trade Receivables Discounting System (TReDS). This would allow MSMEs to auction their trade receivables at competitive rates to ease credit challenges as well as sell goods and services to government departments, public sector units etc seamlessly without any additional registration.

Importantly, the Reserve Bank of India had recently issued a circular clarifying MSMEs’ doubts around the registration of existing units under EM part II and UAM. RBI had said that existing EMs part II and/or UAMs of MSMEs obtained before June 30, 2020, will continue to remain valid till March 31, 2021. MSMEs had sought clarity whether their existing registrations would remain or valid or not following the government’s June 26, 2020 notification on the classification of MSMEs as per the new definition and specification of the form and procedure for registration with effect from July 1, 2020.

SIDBI had in June set up a Swavalamban Crisis Responsive Fund to help MSMEs onboard the TReDS platform free of cost. **The has waived off the joining or registration fees of Rs 10,000 till March 2021 and is targeting**

to support over 10,000 MSMEs through the fund. Currently, Receivables Exchange of India, M1xchange and Invoicemart are invoice discounting platforms part of the TReDS mechanism.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1650625>

Read More at: <https://www.financialexpress.com/industry/sme/msme-eodb-digital-india-new-portal-for-msme-registration-sees-early-traction-this-many-firms-register-in-2-months/2073083/>

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Important Updates of the week

Compliance Calendar for the month of September 2020



Compliance Calendar for the month of September 2020

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Important dates in September 2020 for compliance under GST are as follows: –

Due Dates	Forms	Period	Description
October 31, 2020	GSTR-1	July to September, 2020	Taxpayers having an aggregate turnover of Up to than Rs. 1.50 Crores (< Rs 1.50 Cr) or opted to file Quarterly Return
September 10, 2020	GSTR-7	August 2020	Return for Tax Deducted at source to be filed by Tax Deductor
September 10, 2020	GSTR-8	August 2020	E-Commerce operator registered under GST liable to TCS
September 11, 2020	GSTR-1	August 2020	Taxpayers having an aggregate turnover of More than Rs. 1.50 Crores (> Rs 1.50 Cr) or opted to file Monthly Return
September 13, 2020	GSTR-6	August 2020	Every Input Service Distributor (ISD)
September 20, 2020	GSTR-3B	August 2020	Taxpayers having an aggregate turnover of more than rupees 5 Crores (> Rs 5 Cr) in the preceding financial year
October 01, 2020	GSTR-3B	August 2020	Taxpayer having turnover of less than ₹5 crores in previous financial year (monthly return) in the state of: <ul style="list-style-type: none"> • Chhattisgarh • Madhya Pradesh • Gujarat • Daman and Diu

			<ul style="list-style-type: none"> • Dadra and Nagar Haveli • Maharashtra • Karnataka • Goa • Lakshadweep • Kerala • Tamil Nadu • Puducherry • Andaman & Nicobar island • Telangana <p>Andhra Pradesh</p>
October 03, 2020	GSTR-3B	August 2020	<p>Taxpayer having turnover of less than ₹5 crores in previous financial year (monthly return) in the state of:</p> <ul style="list-style-type: none"> • Jammu and Kashmir • Ladakh • Himachal Pradesh • Punjab • Chandigarh • Haryana • Delhi • Rajasthan • Uttar Pradesh • Bihar • Sikkim • Arunachal Pradesh • Nagaland • Manipur • Mizoram • Tripura • Meghalaya • Assam • West Bengal • Jharkhand • Odisha <p>Uttarakhand</p>
September 20, 2020	GSTR-5 & 5A	August 2020	Non-resident ODIAR services provider file Monthly GST Return
September 30, 2020	GSTR 9	F.Y. 2018-2019	Taxpayers having an aggregate turnover of more than Rs. 2 Crores or opted to file Annual Return.
September 30, 2020	GSTR 9C	F.Y. 2018-2019	Reconciliation Statement/ Audit Report for Taxpayers having a Turnover of more than Rs. 5 crores.

GSTN: New functionalities made available for TCS and Composition taxpayers

Goods and Services Tax

New functionalities made available for TCS and Composition taxpayerswww.a2ztaxcorp.com**1. Provision to make amendment, multiple times, in Table 4 of Form GSTR-8**

- Earlier, if no action was taken on TCS details, auto-populated in TDS/TCS credit form, by the supplier or if the same were rejected by them in the said form, the TCS (e-commerce operators) could amend the details only once.
- Based on requests received from stakeholders, the restriction of amending the transaction details only once, in the table 4 (i.e. amendment table) of Form GSTR-8, has now been removed.
- Thus, details of table 4 (i.e. amendment table) of Form GSTR-8, can now be amended multiple times, by e-commerce operators liable to collect tax at source under section 52, while filing their Form GSTR-8.

2. TCS facility extended to composition taxpayers

- The taxpayers under composition scheme, who are permitted to make supplies through E-Commerce Operators, e.g. Restaurant Services, will now be able to view and take necessary actions in their TDS/TCS credit received form.
- E-commerce operators would now be able to add GSTIN of such composition suppliers, in their Form GSTR-8 and file the Form.
- The amount of tax collected at source, reported by E-Commerce Operators in their Form GSTR-8, will now be populated to 'TDS /TCS credit received' form of respective composition taxpayers.
- The amount so reported by e-commerce operators will now be available to respective composition taxpayers, for accepting or rejecting the same, in their 'TDS and TCS credit received' form.
 - For accepted transactions, the amount would be credited to cash ledger of composition taxpayers, after successful filing of 'TDS/ TCS Credit received' form.
 - For rejected transactions, the amount would be shown to e-commerce operators for correction.

Source: <https://www.gst.gov.in/newsandupdates/read/397>

GSTN has started generating system computed liability for GSTR-3B, on the basis of GSTR-1 filed by the taxpayers



GST Tech ✓
@Infosys_GSTN



System computed GSTR-3B (Table-3 for liabilities) on the basis of GSTR-1 filed by taxpayers now available on the GST portal for monthly GSTR-1 filers



As per the recent tweet of GSTN Tech, the **System computed GSTR-3B (Table-3 for liabilities) on the basis of GSTR-1 filed by taxpayers now available on the GST portal for monthly GSTR-1 filers.**

Source: https://twitter.com/Infosys_GSTN/status/1301785910833377281

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GSTN has enabled various options in Form GSTR-2A for the ease of taxpayers like GSTR-1/5 filing date/status & GSTR-3B filing status

Dashboard > Returns > GSTR2A English

GSTIN - Legal Name Trade Name

FY - 2019-20 Return Period - March

B2B Invoices - Supplier Details

Display/Hide Columns: Search: Search...

Instantly download records up-to 500 using Download Documents (CSV) option.

GSTIN of Supplier	Supplier Name	GSTR-1/5 Filing status	GSTR-1/5 Filing Date	GSTR-1/5 Filing Period	GSTR-3B filing status	Effective date of cancellation
24AABFF6025D1Z1	FORTUNE SALES AGENCY	Y	11-Jun-20	Mar-20	Y	
24AACCM4945P1Z1	MSC MEDITERRANEAN SHIPPING CO. S.A.AGENT MSC AGENCY (INDIA)	Y	19-Apr-20	Mar-20	Y	
24AADFU8796Q1Z3	United Liner Shipping Services LLP	Y	27-Jun-20	Mar-20	Y	
24AAECB5987E1ZL	BOXCO LOGISTICS INDIA PRIVATE LIMITED	Y	22-May-20	Mar-20	Y	
24AAJCM4693D1ZE	Maersk A/S	Y	10-Apr-20	Mar-20	Y	

« 1 2 3 4 5 6 »

BACK DOWNLOAD DOCUMENTS (CSV)

GSTN has enabled various options in Form GSTR-2A for the ease of Taxpayers. The following are the new facilities available in Form GSTR-2A for the taxpayers are as follows:-

1. GSTR - 1/GSTR5 Filing Status.
2. GSTR - 1/GSTR-5 Filing Date.
3. GSTR - 1/GSTR-5 Filing Period.
4. GSTR - 3B Filing Status.
5. Effective Date of Cancellation.

Source: FORM GSTR - 2A #GSTN Portal

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Videos of the week

Intricacies in Place of Supply of Goods and Services in GST || CA Bimal Jain



Intricacies in
Place of Supply
of Goods and
Services in GST



CA Bimal Jain



You can access the complete video on “Intricacies in Place of Supply of Goods and Services in GST || CA Bimal Jain” at following link: <https://youtu.be/mDxDwDU8AIE>

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Who will Pay GST on Goods Transport Agency (GTA) under RCM || CA Bimal Jain



Who will Pay GST
on Goods Transport
Agency (GTA) under
RCM



CA Bimal Jain



You can access the complete video on “Who will Pay GST on Goods Transport Agency (GTA) under RCM || CA Bimal Jain” at following link: <https://youtu.be/oF6crdDQB70>

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When GTA need to take registration and What GST rates can be opted by GTA || CA Bimal Jain



When GTA need to take registration and What GST rates can be opted by GTA

CA Bimal Jain



You can access the complete video on “When GTA need to take registration and What GST rates can be opted by GTA || CA Bimal Jain” at following link: <https://youtu.be/UWEtXjI6YEU>

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Income Tax

Important Notification, Circular of the week

CBDT permits sharing of information by I-T authorities with scheduled commercial banks



The CBDT has permitted sharing of information by income tax authorities with scheduled commercial banks.

"In pursuance of sub-clause (ii) of clause (a) of sub-section (1) of Section 138 of the Income-tax Act, 1961, the Central Government hereby specifies "Scheduled Commercial Banks" listed in the Second Schedule of the Reserve Bank of India Act, 1934 for the purposes of the said clause," the Board said in a Notification No. 71/2020 dated August 31.

Recently, similar notifications and memoranda of understanding have been issued for exchange of information between income tax authorities and Securities & Exchange Board of India, Central Board of Indirect Taxes and Customs, Ministry of Micro, Small and Medium Enterprises, Narcotics Control Bureau, Intelligence Bureau, National Investigation Agency, Cabinet Secretariat, Ministry of Agriculture, among others, Section 138 of Income Tax Act.

The larger aim with information sharing is to counter tax evasion and widen the tax base in the country.

The Notification can be accessed at: <http://egazette.nic.in/WriteReadData/2020/221466.pdf>

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CBDT issued clarification on imposition of charge on prescribed electronic modes u/s 269SU of IT Act, 1961

Central Board of Direct Taxes (CBDT)

Background:-

In furtherance to the declared policy objective of the Government to encourage digital transactions and move towards a less-cash economy, the Finance (No. 2) Act 2019 inserted a new provision namely section 269SU in the Income-tax Act, 1961 ("the IT Act"), which provides that every person having a business turnover of more than Rs. 50 crores during the immediately preceding previous year shall mandatorily provide facilities for accepting payments through prescribed electronic modes. Further, a new provision namely section IOA was also inserted in the Payment and Settlement Systems Act 2007 ("the PSS Act"), which provides that no Bank or system provider shall impose any charge on a payer making payment, or a beneficiary receiving payment, through electronic modes prescribed under section 269SIJ of their IT Act. Subsequently, vide notification no. 105/2019 dated 30.12.2019 (i) Debit Card powered by RuPay; (ii) Unified Payments Interface (UPI) (BHIM-UPI); and (iii) Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code) were notified as prescribed electronic modes under section 269 SU of the IT Act.

Clarification:-

CBIC vide Circular No. 16/2020 dated August 30, 2020, has clarified that based on section IOA of the PSS Act, any charge including the MDR (Merchant Discount Rate) shall not be applicable on or after January 01, 2020 on payment made through prescribed electronic modes. However, representations have been received that some banks are imposing and collecting charges on transactions carried out through UPI. A certain number of transactions are allowed free of charge beyond which every transaction bears a charge. Such practice on part of banks is a breach of section IOA of the PSS Act as well as section 269SIJ of the IT Act, Such breach attracts penal provisions under section 271 DB of the IT Act as well as section 26 of the PSS Act.

Banks are, therefore, advised to immediately refund the charges collected, if any, on or after 1st January, 2020 on transactions carried out using the electronic modes prescribed under section 269SU of the IT Act and not to impose charges on any future transactions carried through the said prescribed modes.

The Circular can be accessed at: <https://www.incometaxindia.gov.in/communications/circular/circular-16-2020.pdf>

Important Press Releases of the week

CBDT provides ITR Filing Compliance Check Functionality for scheduled commercial banks



CBDT in exercise of powers conferred under section 138(1)(a) of Income Tax Act, 1961, has issued **Order in F. No. 225/136/2020/ITA.II dated 31.08.2020**, for furnishing information about IT Return Filing Status to **Scheduled Commercial Banks**, notified vide Notification No. 71/2020 dated 31.08.2020 under sub-clause (ii) of clause (a) of sub-section (1) of section 138 of the Act.

The data on cash withdrawal indicated that huge amount of cash is being withdrawn by the persons who have never filed income-tax returns. To ensure filing of return by these persons and to keep track on cash withdrawals by the non-filers, and to curb black money, the Finance Act, 2020 w.e.f. 1st July, 2020 further amended Income-tax Act, 1961 to lower the threshold of cash withdrawal to Rs. 20 lakh for the applicability of TDS for the non-filers and also mandated TDS at the higher rate of 5% on cash withdrawal exceeding Rs. 1 crore by the non-filers.

Income Tax Department has already provided a functionality “Verification of applicability u/s 194N” on www.incometaxindiaefiling.gov.in for Banks and Post offices since 1st July, 2020. Through this functionality, Bank/Post Office can get the applicable rate of TDS under section 194N of the Income-tax Act, 1961 by entering the PAN of the person who is withdrawing cash.

The Department has now released a new functionality “ITR Filing Compliance Check” which will be available to Scheduled Commercial Banks (SCBs) to check the IT Return filing status of PANs in bulk mode. The Principal Director General of Income-tax (Systems) has notified the procedure and format for providing notified information to the Scheduled Commercial Banks. The salient features of the using functionality are as under:

1. **Accessing “ITR Filing Compliance Check”:** The Principal Officer & Designated Director of SCBs, which are registered with the Reporting Portal of Income-tax Department (<https://report.insight.gov.in>) shall be able to use the functionality after logging into the Reporting Portal using their credentials. After successfully logging in, link to the functionality “ITR Filing Compliance Check” will appear on the home page of the Reporting Portal.
2. **Preparing request (input) file containing PANs:** The CSV Template to enter PAN details can be downloaded by clicking on “Download CSV template” button on the “ITR Filing Compliance Check”

page. PANs, for which IT Return filing status is required, are required to be entered in the downloaded CSV template. The current limit of PANs in one file is 10,000.

3. **Uploading the input CSV file:** Input CSV file may be uploaded by clicking on Upload CSV button. While uploading, "Reference Financial Year" is required to be selected. Reference Financial Year is the year for which results are required. If selected Reference Financial Year is 2020-21 then results will be available for Assessment years 2017-18, 2018-19 and 2019-20. Uploaded file will start reflecting with Uploaded status.
4. **Downloading the output CSV file:** After processing, CSV file containing IT Return Filing Status of the entered PANs will be available for download and "Status" will change to Available. Output CSV file will have PAN, Name of the PAN holder (masked), IT Return Filing Status for last three Assessment Years. After downloading of the file, the status will change to Downloaded and after 24 hours of availability of the file, download link will expire and status will change to Expired.

Scheduled Commercial Banks can also use API based exchange to automate and integrate the process with the Bank's core banking solution. Scheduled Commercial Banks are required to document and implement appropriate information security policies and procedures with clearly defined roles and responsibilities to ensure security of information.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1650735>

I-T department carries out search and seizure operations on prominent businessmen in J&K



The income tax department carried out simultaneous search and seizure operations on Wednesday in case of three prominent businessmen in Srinagar and Kupwara.

“These operations have, prima facie, led to the detection of huge amounts of undisclosed income, seizure of unaccounted assets and incriminating evidence and involvement in benami transactions by these three groups,” the Central Board of Direct Taxes said in a statement.

The search action revealed that the key person of one of the groups, although engaged in Cross-LOC (Line Of Control) trade until the suspension of trade by the government in April 2019, has not filed his income tax returns. He was also found to be having two active PANs, the Board said.

The businessman’s proprietary concern has made exports of over Rs 25 crore in the last few years. “However, no income tax has been paid. Incriminating documents related to the LoC trade have been seized from the Custodian of cross-LOC trade, indicating large-scale tax evasion,” the Board added.

There are also evidences of unexplained expenditure on the education of the businessman’s daughter in Pakistan.

In another case, the key person and his brother were engaged in Cross-LOC trade until the suspension by the government. Exports of Rs 3 crore in the last two years have been found but income tax return of only one year has been found, showing meagre receipts, and not matching with credits running into crores in multiple bank accounts.

“Further, evidences showing illegal trade in violation of suspension of cross LoC trade have been seized. The passport of the assessee reveals that he had travelled to Pakistan for 20-25 days every calendar year since 2017 and the source of expenditure on this account is prima-facie unexplained,” the Board added.

In yet another case unaccounted cash of Rs 15 lakh was seized from a group engaged in Cross- LOC trade of vegetables and fruits. While the group has multiple companies, their transactions do not reflect in income tax returns.

Further, documents pertaining to the unaccounted business transactions of about Rs 10 crore have been seized. In another case of a firm, one of the partners in the firm has admitted that his name was only being used, though he was not involved in any activity of the firm.

“The matter is being examined from the angle of Benami transactions. A locker has also been found which is yet to be searched and has been placed under restraint. Further investigations are going on,” the Board said.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1650758>

Read More at: <https://economictimes.indiatimes.com/news/politics-and-nation/i-t-department-carries-out-search-and-seizure-operations-on-prominent-businessmen-in-jk/articleshow/77894012.cms>

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Important News of the week

CBDT issues over ₹98,625 crore to 26.2 lakh taxpayers since April



Income Tax India ✓

@IncomeTaxIndia



CBDT issues refunds of over Rs. 98,625 crore to more than 26.2 lakh taxpayers between 1st April, 2020 to 01st September, 2020. Income tax refunds of Rs. 29,997 crore have been issued in 24,50,041 cases & corporate tax refunds of Rs.68,628 crore have been issued in 1,68,421 cases.

The Central Board of Direct Taxes (CBDT) has issued refunds of over ₹98,625 crore to more than 26.2 lakh taxpayers between April 1, 2020 to September 1, 2020, said the Income Tax (I-T) Department in a statement on Wednesday.

The I-T refunds of ₹29,997 crore were issued in 24,50,041 cases and corporate tax refunds of ₹68,628 crore have been issued in 1,68,421 cases, the statement said.

In wake of COVID-19 pandemic, CBDT has extended the due date for filing of Income Tax Returns for FY 2018-19 (AY 2019-20) from July 31 to September 30, 2020.

The CBDT earlier said the income tax authorities can share information with scheduled commercial banks, a move that would ease the lenders' hassle of deciding TDS deductibility on various payments to their customers.

In a notification dated August 31, the Central Board of Direct Taxes (CBDT) included 'scheduled commercial banks', listed in the second schedule of the Reserve Bank of India Act, 1934, under Section 138 of Income Tax Act for sharing of information.

CBDT is the apex tax body on personal income tax and corporate tax. Section 138 of the Income Tax Act empowers income tax authorities to share information/ details of its taxpayers with other agencies.

The move will especially help in cases such as TDS under Section 194N, which requires multiple income tax related information and declaration from customers making withdrawal, analyst said.

Read More at: <https://www.livemint.com/money/personal-finance/cbdt-issues-over-rs-98-625-crore-to-26-2-lakh-taxpayers-since-april-11599046182489.html>

News Flash

- **GST: Karnataka to follow Option One, meet reform linked timelines for additional borrowing, says**

Home Minister

<https://www.a2ztaxcorp.com/gst-karnataka-to-follow-option-one-meet-reform-linked-timelines-for-additional-borrowing-says-home-minister/>

- **Union Minister Prakash Javadekar hints at possibility of GST rate cut for vehicles**

<https://www.a2ztaxcorp.com/union-minister-prakash-javadekar-hints-at-possibility-of-gst-rate-cut-for-vehicles/>

- **States feel the pinch of giving up sovereignty for unified GST**

<https://www.a2ztaxcorp.com/states-feel-the-pinch-of-giving-up-sovereignty-for-unified-gst/>

- **GST compensation cess mop-up rises for first time in five months**

<https://www.a2ztaxcorp.com/gst-compensation-cess-mop-up-rises-for-first-time-in-five-months/>

- **Haryana detects Rs 1,182 Cr GST fraud, 69 fake firms found**

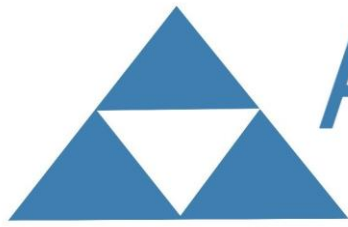
<https://www.a2ztaxcorp.com/haryana-detects-rs-1182-cr-gst-fraud-69-fake-firms-found/>

- **Industry calls for festive season GST cuts to boost recovery**

<https://www.a2ztaxcorp.com/industry-calls-for-festive-season-gst-cuts-to-boost-recovery/>

- **Chandigarh tops India in monthly GST returns compliance**

<https://www.a2ztaxcorp.com/chandigarh-tops-india-in-monthly-gst-returns-compliance/>



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Tax and Law Practitioners

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Thanks & Best Regards,

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