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Chartered Accountants



SPCM
LEGAL

SAMĀCĀRA

October

2021






*Happy Navratri and
Dussehra*

SAMĀCĀRA – OCTOBER 2021

TEAM SAMĀCĀRA

INCOME TAX

			
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GOODS AND SERVICES TAX

	
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EDITORIAL

Dear All,

The month of September and October which otherwise are months of Audit which are now postponed due to pandemic. The situation has also aggravated and is hampered by poor implementation of New Income Tax Portal which was supposed to be fully operative in the month of June 2021 only.

Tax dispute settlement scheme, the VSVS, that remained in force for over 1.5 years has resulted in 132,353 settled cases (no. of Form 1 filed) involving disputed tax amount of Rs.99,756 crores (as per the declaration filed).

India's gross Goods and Services Tax (GST) revenues crossed ₹1.17 lakh crore in September, hitting a five-month high and the Finance Ministry expects the positive trend to pick up further pace in the second half of the year.

September's revenues were 23% higher than a year ago and the collections were 27.3% more than in the pre-pandemic month of September 2019. Coupled with economic growth, anti-evasion activities, especially action against fake billers have also been contributing to the enhanced GST collections.

With GST law evolving day by day, it raises a question – When will the positions settle? Delay in setting up Tribunals (after 4+ years of GST) has been the root cause for many to knock the doors of High Courts for immediate resolution. Running cost of Pre-deposit for appeal makes writ jurisdiction a natural choice.

I am proud to share with you all that our client Shri. V.S. Kshirsagar had been felicitated as Maharashtra's Iconic Professional by Sakal, a leading newspaper from Maharashtra.

I am also proud to share that in the results announced by the ICAI, 10 of our Students have become the CAs, 5 have cleared their Second Group and 14 have cleared the IPCC examination.

Benjamin Franklin once said "Tell me and I forget. Teach me and I remember. Involve me and I learn". It is a beautiful sentiment that reminds us of our peaks when we collaborate, teach and learn. Telling is a superficial way of passing the information, whereas teaching and involving are conscious ways of passing on the knowledge, which blossoms in all who are involved in the process. Who else knows the benefit of this quote than a CA, who passes through the stage of learning through involvement?

On a lighter note, the months of August to October are the months of festivals. Every day we see the sun rising to give us a message that darkness will always be beaten by light- that is the power of good over evil. Let us all follow the same and enjoy the festival of good defeating evil. May you have a happy and auspicious Navratri and Dussehra-2021!

With Warm Regards.



CA. Suhas P. Bora

MEDIA COVERAGE

WE ARE PROUD OF OUR CLIENTS' ACHIEVEMENT!

The 8th Retail Jewellers India Forum, 2021 held on 14.09.2021 awarded Mr. Vastupal Ranka (Partner, Ranka Jewellers) with award for sharing his invaluable knowledge.





**Shri. V.S. Kshirsagar had been felicitated
as Maharashtra's Iconic Professional
by Sakal**

हजारो अधिकारी घडवलेला अवलिया...

हा प्रवास आहे अशा अवलियाचा, की ज्याने स्पर्धा परीक्षा क्षेत्रात अक्षरशः क्रांती केली आहे. आपल्या लेखणीच्या जोरावर हजारो विद्यार्थ्यांना यशाचा दरवाजा दाखवला आहे. आपल्या शेकडो पुस्तकांच्या रूपाने कायमच विद्यार्थ्यांच्या जवळ राहणे, लेखक म्हणून एक कोटीहून अधिक पुस्तक प्रतीची विक्री, सतत नवनवीन पुस्तके लिहीत राहणे, प्रचंड कष्ट करण्याची प्रवृत्ती, नावीन्याचा घ्यास असणारे, गेली पस्तीस वर्षे स्पर्धा परीक्षा क्षेत्रात तरुणांना अंधाऱ्या वाटेतून प्रकाशाची वाट दाखवत अखंड उभा असलेला वटवृक्ष म्हणजे आदरणीय व्ही. एस. क्षीरसागर सर (के सागर सर) या स्पर्धा परीक्षा क्षेत्रातील प्रेरणादायी व्यक्तिमत्त्वाच्या कार्यकर्तृत्वाचा घेतलेला हा लेखाजोखा..



विठ्ठल क्षीरसागर

काळ ८० च्या दशकातील... एक महत्त्वाकांक्षी तरुण.. आपलं आयुष्य असंच काहीच न करता जाता कामा नये, आपल्याला काहीतरी करून दाखवायचं आहे या विचाराने पेटला होता... नेमकं मोठं होण्यासाठी काय केलं पाहिजे, हेही या तरुणाला फारसं नीट माहीत नव्हतं; पण पावलं पुढं टाकीत आपलं वाट शोधायची होती. पुढे पुण्यातील विधी महाविद्यालयात एलएलबीला असताना के सागर यांनी स्पर्धा परीक्षांचा अभ्यास करायला सुरुवात केली तेव्हा त्यांच्या लक्षात आलं, की अभ्यासक्रमानुसार अभ्यास करण्यासाठी कुठलेही पुस्तक नाही. इतिहास, भूगोल, पंचायतराजसारख्या विषयांची माहिती देणारे पुस्तक बाजारात उपलब्ध नव्हते. स्पर्धा परीक्षांसाठी केलेली त्यांची मेहनत फळाला आली. उपजिल्हाअधिकारी, पोलिस उपअधीक्षक, तहसीलदार, गटविकास अधिकारी वर्ग - १, वर्ग - २, सरकारी कामगार अधिकारी आदी पदांसाठी ते पात्र ठरले वा निवड झाले होते; पण फक्त अधिकारी होण्यात सरांनी आनंद मानला नाही. ८० च्या दशकात अनेक स्पर्धा परीक्षा करणारे विद्यार्थी मराठीत संदर्भ नसल्याने गुणवत्ता असतानाही अपयशी होत होते ही गोष्ट सरांच्या डोळ्यांत सलत होती. मग यानुच १९८६ मध्ये पहिल्या पुस्तकाचा जन्म झाला. त्यानंतर सरांनी कधीच पाठीमागे वळून पाहिले नाही. काही पुस्तकांच्या ८० पार आवृत्त्या झाल्या व आंतरराष्ट्रीय पुरस्कार मिळाले. यानंतर महाराष्ट्रात स्पर्धा परीक्षा क्षेत्र आणि के सागर सर हे समीकरणच ठरले. महाराष्ट्राच्या कानाकोपऱ्यांत के सागर नाव पोहचले आणि येथेच खऱ्या अर्थाने सामान्य कुटुंबातील तरुणांची अधिकारी

होण्यासाठी लोकचळवळ उभी राहावी असे स्वरूप आयशाच्या प्रचंड शिखरावर असतानाही पाय मात्र घट्ट रोवून उभारले आहेत. सरांनी अनेक पुस्तके लिहिली, त्या महाराष्ट्राच्या कानाकोपऱ्यांत पोहचले. मात्र, आजच्या जगाला लोक प्रसिद्धीच्या मागे धावतात किंवा प्रसिद्धीचा हव्यास तो मात्र हव्यास सरांनी टाळला. आपल्या लेखणीने सर म स्पर्धा परीक्षा करू इच्छिणाऱ्या तरुणांच्या मनामनांत पं हे मात्र तेवढेच खरे. आपले काम हीच आपली ओळख तुम्ही तुमचे काम दर्जेदार केले तर समाज आपोआप तुमचे

घेतो, असे सर ठामपणे सांगतात. प्रसिद्धी आणि अर्थप्राप्ती यांच्या भुल गुंतल्यास हातून प्रत्यक्ष कार्य होऊ शकत नाही. केसागर सर यांची अ संपूर्ण पोलिस कॉन्स्टेबल ९० वी आवृत्ती प्रकाशित झाली आहे. PS ASO ८५ वी आवृत्ती, लेटेस्ट जनरल नॉलेज ८२ वी आवृत्ती, संपूर्ण संपूर्ण इंग्रजी या दोन्हींच्या जवळपास ५० आवृत्त्या प्रकाशित करण्यात आ आहेत. सरांचे लहान बंधू पोलिस उपाधीक्षक, तसेच मोठी मुलगी स कामगार आयुक्त म्हणून महाराष्ट्र शासनात कार्यरत आहेत. दुसरी मु सरांची प्रकाशन संस्था सांभाळत आहे आणि त्याची व्याप्ती वाढवत तसेच, सरांचा मुलगा (अस्थिरोगतज्ञ) तसेच आणि सून पुण्यात डॉक्टर कार्यरत आहेत. सरांचा मुलगा विशेषज्ञ वैद्यकीय अधिकारी, सार्वजनिक विभाग गट-अ या पदासाठी पात्र ठरलेले होते. याचबरोबर स्पर्धा परीक्षा विद्यार्थ्यांच्या नैराश्य, प्लॅन बी यांसारख्या प्रश्नांवर काम करत आहेत समुपदेशन करत आहेत. यामुळे सर आपल्या आयुष्यात समाधानी आहेत आपल्या या संपूर्ण प्रवासात सर आपल्या आई-वडिलांना प्रेरणास्थानी आणि आपली सहचरणी सौ. शोभादेवी क्षीरसागर यांना आपल्या आय यशासाठी पूर्णतः श्रेय देतात.

१९९७-१९९८ ला के सागर प्रकाशनाचे पहिले दुकान पुण्यातील अप्पा ब चौकात सुरू झाले. आणि त्यापूर्वीच के सागर ब्रँड म्हणून उभा राहिला. राज्यात स्पर्धा परीक्षा देणाऱ्यांच्या गळ्यातील ताईत हा ब्रँड बनला राज्यातील एकही तालुका नसेल, जिथे के सागरची पुस्तके मिळणार ना

EQUALISATION LEVY ON E-COMMERCE SUPPLY OR SERVICES

Introduction:

Equalisation Levy was introduced in India in 2016, with the intention of taxing the digital transactions i.e. the income accruing to foreign e-commerce companies from India. It is aimed at taxing business to business transactions. This levy came into force from 1 April, 2020. The Finance Act, 2020 has introduced a new provision i.e. section 165A in the Finance Act, 2016, to enhance the scope of the Equalisation Levy. Equalisation Levy will now be extended to an e-commerce operator on e-commerce supply and services.

Further, amendments were made in the Finance Act, 2021 to clarify and expand the scope of the Equalisation Levy 2.0. According to the Finance Act, an e-commerce operator is defined as a non-resident that owns, operates or manages a digital or electronic facility or platform for online sale of goods or online provision of services. The term is widely defined to include all companies that maintain some electronic platform to sell goods or services. E-commerce supply or services is also broadly defined and includes all types of sales of goods and services by an e-commerce operator. A gross revenue threshold level of INR 20 million (USD 250,000 approx.) is applied to an e-commerce operator each financial year to be subject to the Equalisation Levy 2.0.

The Equalisation Levy 2.0 could have a far-reaching impact since it covers more industries and the materiality threshold is significantly lower than other unilateral approaches being implemented by other tax authorities; hence it will impact even small and medium-sized companies

Equalisation Levy shall be charged at the rate of 2% of the amount of consideration received or receivable by an e-commerce operator from e-commerce supply of goods and services made by it-

- To a person resident in India; or
- To a non-resident in the specified circumstances; or

- To a person who buys such goods/services using internet protocol address located in India.

E-commerce operator – It means a non-resident who owns, operates or manages digital or electronic facility or platform for online sale of goods or online provision of services or both.

Online supply or services

- Online sale of goods owned by the e commerce operator; or
- Online provision of services provided by the e commerce operator; or
- Online sale of goods or provision of services facilitated by the e commerce operator; or
- Any combination of the above activities

For the above purpose specified circumstances mean

- Sale of advertisement, which targets a customer, who is resident in India or a customer who access the advertisement though internet protocol address located in India; and
- Sale of data collected from a person who is resident in India or from a person who uses internet protocol address located in India

When Equalisation Levy is not applicable

- E commerce operator has a permanent establishment in India and such e commerce supply is effectively conducted with such PE;
- Equalisation levy is levied under the provisions given under **section 165** of the Finance Act, 2016; or
- sales, turnover or gross receipts, of the e-commerce operator from the e-commerce supply or services made or provided or facilitated is less than Rs. 2 crore during the previous year.

Collection & recovery

The equalisation levy shall be paid by every e commerce operator to the credit of government quarterly within the following due dates:

Date of ending of quarter	Due Date
30 June	7 July
30 September	7 October
31 December	7 January
31 March	31 March

Furnishing the statement

Every e commerce operator shall furnish a Statement electronically within a specified time in a specified form in respect of e commerce supply of goods or services during the financial year.

CBDT has further extended the last date for furnishing the Equalisation Levy Statement (Form-1) for the FY 2020-21 to 31.12.2021

Interest

Simple interest is charged at 1% of the outstanding levy for every month or part thereof is delayed.

Penalty

Situation	Penalty (in addition to paying equalisation levy and interest)
Failure to deduct equalisation levy (wholly or partly)	A penalty equal to amount of equalisation levy
Failure to furnish statement	Rs. 100 for each day of default

Income Tax Exemption

Income from the above activities in the hands of e-commerce operator is exempt under section 10(5) with effect from the assessment year 2021-22.

Goods and Service Taxes (GST) vs. Equalisation Levy 2.0:

GST and the Equalisation Levy 2.0 are two separate taxes. In circumstances where GST applies, the applicability of the Equalisation Levy 2.0 will still need to be assessed.

SECTION - 139A(5)(c) OF INCOME-TAX ACT

• **Applicability and Analysis:-**

As pre Section 139A(5)(c) of the Income Tax Act, 1961, every person shall quote PAN in all documents pertaining to such transactions as may be prescribed by the Board in the interests of the revenue and entered into by him.

The said transactions are listed in Rule 114B of Income Tax Rules. As per Rule 114B every person shall quote his permanent account number in all documents pertaining to the transactions specified in the table below, namely:—

Sr. no.	Nature of Transactions	Value of Transaction	Applicable w.e.f
1	Motor vehicle (other than two wheeler)	All sales/purchases	01.01.2016
2	Opening an account (other than time deposit) with a banking company.	All new accounts.	01.01.2016
3	Application for credit card or debit card	All transactions	01.01.2016
4	Opening Demat Account	All transactions	01.01.2016
5	Payment to Hotel/restaurant	Payment in cash of an amount exceeding fifty thousand rupees.	01.01.2016
6	Payment in connection with travel to any foreign country or payment for purchase of any foreign currency at any one time.	Payment in cash of an amount exceeding fifty thousand rupees.	01.01.2016
7	Payment to a Mutual Fund for purchase of its units.	Amount exceeding fifty thousand rupees	01.01.2016
8	Payment to a company or an institution for acquiring	Amount exceeding fifty thousand	01.01.2016



Sr. no.	Nature of Transactions	Value of Transaction	Applicable w.e.f
	debentures or bonds issued by it.	rupees	
9	Payment to the RBI for acquiring bonds issued by it	Amount exceeding fifty thousand rupees	01.01.2016
10	Deposit with a banking company or a co-operative bank or post office	Deposits in cash exceeding fifty thousand rupees during any one day	01.01.2016
11	Purchase of bank drafts or pay orders or banker's cheques from a banking company or a co-operative bank	Payment in cash for an amount exceeding fifty thousand rupees during any one day	01.01.2016
12	A time deposit (i) with a banking company or a co-operative bank (ii) a Post Office (iii) a Nidhi company (iv) a non-banking financial company	Amount exceeding fifty thousand rupees or aggregating to more than five lakh rupees during a financial year	01.01.2016
13	Payment for one or more pre-paid payment instruments	Payment in cash or by way of a bank draft or pay order or banker's cheque of an amount aggregating to more than fifty thousand rupees in a financial year	01.01.2016
14	Payment as life insurance premium to an insurer	Amount aggregating to more than fifty thousand rupees in a financial year	01.01.2016
15	A contract for sale or purchase of securities (other than shares)	Amount exceeding one lakh rupees per transaction	01.01.2016
16	Sale or purchase, by any person, of shares of a	Amount exceeding one lakh rupees per	01.01.2016

Sr. no.	Nature of Transactions	Value of Transaction	Applicable w.e.f
	company not listed in a recognised stock exchange.	transaction	
17	Sale or purchase of any immovable property	Amount exceeding ten lakh rupees or valued by stamp valuation authority referred to in section 50C of the Act at an amount exceeding ten lakh rupees	01.01.2016
18	Sale or purchase, by any person, of goods or services of any nature other than those specified at Sl. Nos. 1 to 17 of this Table, if any	Amount exceeding two lakh rupees per transaction	01.10.2021

With effect from 1st October 2021, in compliance with Section 139A(5)(c) of the Income Tax act that all the sellers raising an invoice of Rs. 2,00,000/- or more should mention the 10 digit PAN number (of both vendor as well as a customer) on each such invoice as a separate field.

• **Penalty for contravention:**

Section 272B of the Act specifies the penalty for failure to comply with the provisions of section 139A as under:

- (1) If a person who is required to collect PAN is unable to do so, Assessing officer may impose penalty of Rs. 10,000/.
- (2) If a person who is required to quote his PAN quotes a false PAN, Assessing officer may impose penalty of Rs. 10,000/-

Assessing officer is required to give an opportunity to being heard before imposing any penalty.



GST

GIST OF GST NOTIFICATIONS

NOTIFICATION NUMBER	DATE	SUBJECT	HIGHLIGHTS
36/2021-Central Tax	24-09-2021	Seeks to amend Notification No. 03/2021 dated 23.02.2021.	CBIC additionally notifies Persons falling under sub section 6A of section 25 are exempted from Aadhaar Authentication
35/2021-Central Tax	24-09-2021	Seeks to make amendments (Eighth Amendment, 2021) to the CGST Rules, 2017.	<p>For GSTR 1 blocking now rule is updated previously if for two preceding months GSTR 3B is not filed then GSTR 1 will get blocked was mentioned in rule. Now it is updated to for for the preceding period of GSTR 3B not filed then GSTR 1 will get block</p> <p>CBIC relaxes requirement for filing ITC 04. It is applicable from 1st Oct 2021</p> <p>In rule 89 1A sub new rule added. Now amount CGST, SGST or IGST wrongly paid for intra state or inter state shall be refunded within 2 years</p>



GIST OF GST CIRCULARS

CIRCULAR NUMBER	DATE OF ISSUE	SUBJECT	CLARIFICATION
162/18 /2021	25-09-2021	Clarification in respect of refund of tax specified in section 77(1) of the CGST Act and section 19(1) of the IGST Act.	<p>Clarifications in respect of refund of tax specified in section 77(1) of the CGST Act and section 19(1) of the IGST Act have been issued regarding relevant date for claiming for refund based on new notification issued 35/2021 dated 24-09-2021.</p> <ul style="list-style-type: none"> ○ Now the refund can be claimed within 2 years from date of payment of tax in correct head. ○ If this application for claim is made before of this new notification 35/2021 then 2 years will be calculated from date of notification. ○ And if this claim made after this notification date, then 2 years will counted from date of payment of tax in correct head. ○ Refund would not be available where the taxpayer has made tax adjustment through issuance of credit note under section 34 of the CGST Act in respect of the said transaction.
161/17 /2021	20-09-2021	Clarification relating to export of services-condition (v) of section 2(6) of the IGST Act 2017	Clarification relating to export of services-condition (v) of section 2(6) of the IGST Act 2017-reg. Condition (v) of section 2(6) Export of service not treated when ” (v) the supplier of service and the recipient of service are establishments of a distinct person in accordance with Explanation 1 in section 8 as an export of service.



CIRCULAR NUMBER	DATE OF ISSUE	SUBJECT	CLARIFICATION
160/16 /2021	20-09-2021	Clarification in respect of certain GST related issues	<p>Clarification in respect of certain GST related issues – reg.</p> <p>1. Clarification on debit note (a) w.e.f. 01.01.2021, in case of debit notes, date of debit note (not the date of underlying invoice) shall determine the relevant financial year for the purpose of section 16(4) of the CGST Act. (b) The facility to avail ITC on debit notes in respect of amended provision shall be applicable from 01.01.2021. Accordingly, for availment of ITC on or after 01.01.2021, in respect of debit notes issued either prior to or after 01.01.2021, the eligibility for availment of ITC will be governed by the amended provision of section 16(4), whereas any ITC availed prior to 01.01.2021, in respect of debit notes, shall be governed under the provisions of section 16(4), as it existed before the said amendment on 01.01.2021.</p> <p>2. Regarding carrying a physical copy of invoice compulsorily during movement of goods in cases where suppliers have issued e-invoice, It is clarified that there is no need to carry the physical copy of such tax invoice.</p> <p>3. It is clarified that only those goods which are actually subjected to export duty i.e., on which some export duty has to be paid at the time of export, will be covered under the restriction imposed under section 54(3) from availment of refund of accumulated ITC. Goods, which are not subject to any export duty and in respect of which</p>



CIRCULAR NUMBER	DATE OF ISSUE	SUBJECT	CLARIFICATION
			<p>either NIL rate is specified in Second Schedule to the Customs Tariff Act, 1975 or which are fully exempted from payment of export duty by virtue of any customs notification or which are not covered under Second Schedule to the Customs Tariff Act, 1975, would not be covered by the restriction imposed under the first proviso to section 54(3) of the CGST Act for the purpose of availment of refund of accumulated ITC.</p>
159/15 /2021	20-09-2021	Clarification on doubts related to scope of “Intermediary ”	<p>Circular 159 focuses on resolving the issue of confusion in the definitions of an intermediary with the help of examples.</p> <p>Primary requirements for intermediate service –</p> <ol style="list-style-type: none"> 1. Minimum three parties 2. Two distinct supplies: There should be two distinct supplies in case of provision of intermediary services; <ol style="list-style-type: none"> (1) Main supply, between the two principals, which can be a supply of goods or services or securities. (2) An Ancillary supply, which is the service of facilitating or arranging the main supply between the two principals. This ancillary supply is the supply of intermediary service, and is clearly identifiable, and distinguished from the main supply. A person involved in supply of main supply on principal to principal basis to another person cannot be considered as a supplier of intermediary service. 3. Intermediary service provider to have the character of an agent, broker or any other similar person.



CIRCULAR NUMBER	DATE OF ISSUE	SUBJECT	CLARIFICATION
			<p>4. Does not include a person who supplies such goods or services or both or securities on his own account.</p> <p>5 Sub-contracting for a service is not an intermediary service.</p> <p>6 The specific provision of place of supply of 'intermediary services' under section 13 of the IGST Act shall be invoked only when either the location of supplier of intermediary services or location of the recipient of intermediary services is outside India</p>
158/14 /2021	06-09-2021	CBIC issues clarification regarding extension of time limit to apply for revocation of cancellation of registration in view of Notification No. 34/202	The GST Portal is now accepting applications for revocation of cancelled GST Registration. As per notification no. 34/2021-CGST dated 29th Aug 2021, the Central Board of Indirect Taxes and Customs (CBIC) notified the extension of the due date to September 30, 2021 for filing an application for revocation of cancellation of registration where the due date falls between March 1, 2020 to August 31, 2021. The extension would be applicable only in those cases where registrations have been cancelled under clause (b) or clause (c) of sub-section (2) of section 29 of the CGST Act

“Stop being afraid of what could go wrong and think of what could go right.”

“Falling down is an accident, staying down is a choice.”

**GST UPDATES****1. CBIC issues clarification on Extension of Time Limit to apply for Revocation of Cancellation of GST Registration:**

The GST Portal is now accepting applications for revocation of cancelled GST Registration. As per notification no. 34/2021-CGST dated 29th Aug 2021, the Central Board of Indirect Taxes and Customs (CBIC) notified the extension of the due date to September 30, 2021 for filing an application for revocation of cancellation of registration where the due date falls between March 1, 2020 to August 31, 2021. The extension would be applicable only in those cases where registrations have been cancelled under clause (b) or clause (c) of sub-section (2) of section 29 of the CGST Act.

2. IGST on goods re-imported after being exported for repairs: (Circular No. 16/2021-Customs; Dated 19th July 2021) :

Integrated tax and Compensation cess shall be leviable on goods re-imported after being exported for repairs at a value. The fair cost of repairs carried out including cost of materials used in repairs (whether such costs are actually incurred or not), insurance and freight charges, both ways.

3. CBIC reminds GST Taxpayers, E-Commerce Operators who Deduct TDS to file GSTR-7 or GSTR-8 Return for Aug, 2021:

- a. The Central Board of Indirect Taxes and Customs reminded the GST Taxpayers and ECommerce Operators who Deduct TDS to file GSTR-7 and GSTR-8 return respectively for August, 2021 by September 10, 2021. GSTR-7 is a monthly return to be filed by the persons required to deduct Tax Deducted at Source (TDS) under the Goods and Services Tax (GST).
- b. GSTR-8 is a monthly return to be filed by e-commerce operators registered under the GST.
- c. If the GST return is not filed on time, then a penalty of Rs.100 under CGST and Rs.100 under SGST shall be levied, and the total will be Rs.200 per day. However, the maximum late fee should not exceed Rs 5,000. There is no late fee on IGST in case of delayed



filing. Along with late fees, interest has to be paid at 18% per annum.

4. CBIC issues Advisory for Generation of E-Way Bill where the Principal Supply is Supply of Services:

The CBIC has issued Advisory for Generation of E-Way Bill where the Principal Supply is Supply of Services. The taxpayers are advised as below:

- i. Rule 138 of CGST Rules, 2017, inter alia, states “Information to be furnished prior to commencement of movement of goods and generation of e-way bill.-(1) every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees....” Thus, E way bill is required to be generated for the movement of Goods.
- ii. Therefore, in cases where the principal supply is purely a supply of service and involving no movement of goods, the e-way bill is not required to be generated. However, in cases where along with the principal supply of service, movement of some goods is also involved, an e-way bill may be generated. Such situations may arise in cases of supply of services like printing services, works contract services, catering services, pandal or shamiana services, etc. In such cases, the e-way bills may be generated by entering the details of the HSN code of the goods, along with the SAC (Service Accounting Code) of the services involved.

5. Precaution to be taken before filling of the September-2021 GSTR-1 monthly & quarterly returns & GSTR-3B return:

a. Avail pending ITCp

It is the last chance for availing the pending ITC for the financial year 2020-21 as the taxpayers file GSTR-3B for the Sep'21 return period in October 2021. The entire reconciliation process for the year 2020-21, matching the invoices between GSTR-2A and your purchase book must be completed.

b. ITC claim on earlier reversal

If GST credit has been reversed during the year on account of payment not made to suppliers within 180 days. The taxpayer can again claim the ITC after payment to the supplier which has been already reversed on non-payment. It is important to check the books of accounts for any such entry on which ITC can be claimed.

c. Checking credit for Reverse Charge

It is important to cross-check your books of account to confirm if you have paid GST under RCM for proper transactions at the appropriate rate and claimed the ITC for the same in the Financial Year 2020-21.

d. Cross-checking purchase bills with GSTR-2A

During the course of the year, there are multiple missed purchases or no invoice purchases, lost invoices etc. It is important to cross-check the purchases with the available GSTR 2A in order to get the audit right.

e. Sale reversed after GST Paid

If the goods are rejected after a few days of the sale and the taxpayer has already paid the GST due on the sale, such differences also need to be pointed out. Reconciliation of GSTR-2A with the taxpayer's books of accounts is necessary to claim ITC on the basis of Debit Note issued by the party.

f. GST reversal on purchases

If a taxpayer has rejected a part of goods purchased to the supplier and has issued a debit note, such entries are also important to take into account while reviewing the yearly books of account. If the supplier has not accepted the debit note, the taxpayer can reverse the entry to claim the GST ITC paid.

g. Collect ITC on Bank charges & claim of ITC on small expenses:

Bank charges like processing fees and unit inspection charges also need to be claimed timely. Cash Credit accounts with banks have to pay 'processing charges' for renewal of C/C limits and also have to pay unit inspection charges which are directly debited to their C/C accounts by banks. Taxpayers can collect ITC on such transactions.

Purchase of small expenses If the bills are in the name of your business and have the business address mentioned then you can claim ITC on the same.

h. ITC on Job-work charges

If a taxpayer has taken any job work done via out-sourcing it to small vendors and they have provided GST invoices, then the taxpayer must claim the relevant ITC. Also, the taxpayers must check up on all the changes introduced in the new GST Return – GSTR 2B also. Thus there are a lot of things to take care of before filing September 2021 GST returns.

i. ITC reversal proportionate to exempted supply:

If a taxpayer has claimed any ITC common service or specific service pertain to exempted supply. As per formula given in the gst rule for that, so accordingly tax payer has to be reversed the ITC as applicable.

6. Dynamic QR Code is mandatory on B2C invoices for turnover above 500 crores:

Dynamic QR Code is mandatory on B2C invoices for turnover above 500 crores. Otherwise penalty would be levied from 01st December 2020. The exemption from this compliance was extended from 01.12.2020 till 30.09.2021 which has expired now. So now company having turnover in excess Rs.500 crore is mandatory dynamic QR code for the B2C invoices.

7. New Tool for E-invoice Preparation: GePP On Line Application Available in `Beta Version:

"GST e-Invoice Preparing and Printing" is an online application for GST Invoice Entry, generation of IRN and printing of invoice. The application can be used on a mobile device and also in offline mode. The application is designed to enable the users to enter invoice details using simple forms and generate IRN on click of a button. The seamless integration of GePP-On with e-Invoice portal will help the taxpayers having few invoices to register, in generating IRN without API Integration or using bulk upload option in the portal.

**GST AMENDMENTS w.e.f 1.10.2021**

On the basis of the discussions in 45th GST Council meeting held on September 17, 2021, decisions regarding GST Rate Change CBIC issued various notifications which have been effective from 01.10.2021. We have summarized the major changes which are going to **effective from 01.10.2021** as under:

1. Notification No. 06/2021, CT (Rate) issued on 30th September 2021, effective from 1st October 2021.

1. Composite supply of Works contract services by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration shall attract GST@ 12% if the services are provided to the charitable trusts registered u/s 12AB of Income Tax Act, 1962. Earlier, only charitable trusts registered u/s 12AA of Income Tax Act, 1962 were covered.
2. Job work in relation to manufacture of alcoholic liquor will now attract GST@ 18%.
3. Services in relation to use or transfer of Intellectual Property rights shall attract GST @18%. Earlier some services were covered @ 12% which has been omitted.
4. Services by way of Printing of journals, periodicals, newspaper and books were earlier subject to GST@ 12% but the same will now attract GST @18%.
5. Admission to sporting events like Indian Premiere League or a casino/race club or any place having casinos or race clubs will now attract GST @28%.



6. Fresh HSN 996541 has been added covering Multimodal Transport of goods from a place in India to another place in India

2. Notification No. 07/2021 issued on 30th September 2021, effective from 1st October 2021.

1. Services by way of charitable activities carried out by trusts registered under Sec 12AB of Income Tax Act, 1962 are now included exempt from GST. Earlier only charitable trusts registered u/s 12AA of Income Tax, 1962 were covered.
2. All sort of services provided by and to FIFA and its subsidiaries related to FIFA U-17 Women's World Cup 2020 hosted in India shall be exempt from GST.
3. Services provided by and to Asian Football Confederation (AFC) and its subsidiaries directly or indirectly related to any of the events under AFC Women's Asia Cup 2022 to be hosted in India shall be exempt from GST. Additionally, admission to events organised by AFC shall also be exempt from GST.
4. Services of granting national permit to a goods carriage shall be exempt from GST.
5. Services by way of leasing of assets by Indian Railways Finance Corporation to Indian Railways is now removed from exemption list and GST will be levied on such services.
6. Training services by CG/SG/UT to any person for which at least 75% of the expenditure is borne by such CG/ SG/UT shall be exempt from GST. Earlier, training services by CG/SG/UT were exempt only where the entire expenditure was borne by such CG/SG/UT.
7. Services by way of transportation of goods by air or vessel from custom station in India to a place outside India shall be exempt till September 2022.



3. Notification No. 08/2021, CT (Rate) issued on 30th September 2021, effective from 1st October 2021

S. No.	Description	Old Rate	New
1	Retro fitment kits for vehicles used by the disabled	NIL	5%
2	Tamarind seeds meant for any use other than sowing	NIL	5%
3	Medicine Keytruda for treatment of cancer	12%	5%
4	Biodiesel supplied to OMCs for blending with Diesel	12%	5%
5	Iron ores and concentrates, including roasted iron pyrites.	5%	18%
6	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight.	5%	12%
7	Copper ores and concentrates.	5%	18%
8	Nickel ores and concentrates.	5%	18%
9	Cobalt ores and concentrates	5%	18%
10	Aluminum ores and concentrates.	5%	18%
11	Lead ores and concentrates.	5%	18%
12	Zinc ores and concentrates.	5%	18%
13	Tin ores and concentrates.	5%	18%
14	Chromium ores and concentrates	5%	18%
15	Following renewable energy devices and parts for their manufacture:-	5%	12%
	(a) Bio-gas plant;		
	(b) Solar power based devices;		
	(c) Solar power generator;		
	(d) Wind mills, Wind Operated Electricity Generator (W.O.E.G.);		



S. No.	Description	Old Rate	New
	(e) Waste to energy plants / devices;		
	(f) Solar lantern / solar lamp;		
	(g) Ocean waves/tidal waves energy devices/plants;		
	(h) Photo voltaic cells, whether or not assembled in modules or made up into panels.		
	Explanation:- If the goods specified in this entry are supplied, by a supplier, along with supplies of other goods and services, one of which being a taxable service specified in the entry at S. No. 38 of the Table mentioned in the notification No. 11/2017-Central Tax (Rate), dated 28th June, 2017 [G.S.R. 690(E)], the value of supply of goods for the purposes of this entry shall be deemed as seventy percent of the gross consideration charged for all such supplies, and the remaining thirty percent of the gross consideration charged shall be deemed as value of the said taxable service.”;		
16	Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like	12%/18%	18%
17	Waste, Parings and Scrap, of Plastics	5%	18%



S. No.	Description	Old Rate	New
18	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand-written texts; photographic reproductions on sensitized paper and carbon copies of the foregoing	12%	18%
19	Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognized face value; stamp-impressed paper; banknotes; cheque forms; stock, share or bond certificates and similar documents of title (other than Duty Credit Scrip's).	12%	18%
20	Transfers (decalcomanias).	12%	18%
21	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings.	12%	18%
22	Calendars of any kind, printed, including calendar blocks.	12%	18%
23	Other printed matter, including printed pictures and photographs; such as Trade advertising material, Commercial catalogues and the like, printed Posters, Commercial catalogues, Printed inlay cards, Pictures, designs and photographs, Plan and drawings for architectural engineering, industrial, commercial,	12%	18%



S. No.	Description	Old Rate	New
	topographical or similar purposes reproduced with the aid of computer or any other devices		
24	Ball point pens; felt tipped and other porous tipped pens and markers; fountain pens; stylograph pens and other pens; duplicating stylos; pen holders, pencil holders and similar holders; parts (including caps and clips) of the foregoing articles, other than those of heading 9609.	12%/18%	18%
25	Railway parts, locomotives & other goods in Chapter 86	12%	18%
26	Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice	18%	28%

4. Notification No. 09/2021,10/2021 11/2021 and 12/2021 CT (Rate) issued on 30th September 2021, effective from 1st October 2021.

1. Sowing of seed, fruits and spores of a kind is covered under the exemption list. However, clarification that seeds used for any other purpose than sowing will not be covered under the exemption list.
2. Essential oils of peppermint and other specified mints received by a registered person from an unregistered person will now fall under Reverse Charge Mechanism.
3. Extension of existing concessional GST rates (currently valid till 30th September 2021) on following COVID-19 treatment drugs, up to 31st December 2021



Sr. No.	Chapter, Heading, Sub-heading or Tariff item	Description of Goods	Rate
1.	30	Tocilizumab	Nil
2.	30	AmphotericinB	Nil
3.	30	Remdesivir	2.5%
4.	30	Heparin (anti-coagulant)	2.5%
5.	30	Itolizumab	2.5%
6.	30	Posaconazole	2.5%
7.	30	Infliximab	2.5%
8.	30	Bamlanivimab Etesevimab	2.5%
9.	30	Casirivimab 6 Imdevimab	2.5%
10.	30	2—Deoxy—D—Glucose	2.5%
11.	30	Favipiravir	2.5%

reparation in unit containers for free distribution to weaker sections of the society under the programme approved by the Central or State Government. Fortified Rice Kernel (Premix) supply for ICDS or similar scheme duly approved by the Central Government or any State Government will be subject to GST @5%.



DUE DATE CALENDER

Income Tax, PF and ESIC due date calendar for the month of October 2021:

DATE	DUE DATE FOR
07/10/2021	Payment of TDS/TCS deducted /collected in September, 2021.
15/10/2021	Due date for issue of TDS Certificate for tax deducted under Section 194A, 194B and 194M in the month of August, 2021.
15/10/2021	Due date for issue of certificate for tax deducted under Section 194-IA , Section 194-IB , Section 194 M for the month of August, 2021
15/10/2021	Quarterly statement of TCS deposited for the quarter ending September 30, 2021
15/10/2021	E-payment of PF and ESI for July, 2021.
30/10/2021	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194IB and 194IM in the month of September, 2021.
31/10/2021	Quarterly statement of TDS deposited for the quarter ending September 30, 2021
31/10/2021	Last date for payment of tax under the Direct Tax Vivad se Vishwas Act, 2020 with additional charge.

Note: Due Date of online Filing of Audited Accounts to Charity Commissioner in State of Maharashtra for the financial year 2020-21 has been extended till 30/11/2021.


GST due dates for the month of October, 2021:

Due date	Return	Period	Description
10 th October	GSTR-7 (Monthly)	Sep-21	Summary of Tax Deducted at Source (TDS) and deposited under GST laws
	GSTR-8 (Monthly)	Sep-21	Summary of Tax Collected at Source (TCS) and deposited by E-commerce operators under GST laws
11 th October	GSTR-1 (Monthly)	Sep-21	Summary of outward supplies where turnover exceeds Rs. 5 crore or have not chosen the QRMP scheme for the quarter of July-Sept 2021
13 th October	GSTR 1 (Quarter 2)	July-Sept	Taxpayer who has opted for the Invoice Furnishing Facility (IFF) and choose to upload B2B outward supply invoices for first two months of the quarter. The B2B invoices relating to last month of the quarter are to uploaded while filing GSTR – 1 along with B2C invoices of entire quarter.
13 th October	GSTR-6	Sep-21	Details of ITC received and distributed by ISD
13 th October	CMP-08	July-Sept	The composition dealers have to pay tax in CMP-08 challan-cum-statement every quarter by the 18th of the month following the quarter.
20 th October	GSTR-3B	Sep-21	Summary of outward supplies, ITC claimed, and net tax payable for taxpayers with turnover more than Rs.5 crore in the last FY or have not chosen the QRMP scheme for the quarter of July-Sept 2021
20 th October	GSTR-5 (Monthly)	Sep-21	Summary of outward taxable supplies & tax payable by a non-resident taxable



Due date	Return	Period	Description
			person
20 th October	GSTR-5A (Monthly)	Sep-21	Summary of outward taxable supplies and tax payable by OIDAR
24 th October	GST Challan For all Quarterly filers	Sep-21	GST Challan Payment if no sufficient ITC for September 2021, (for all Quarterly Filers)

Note: Kindly note that the pending adjustments/amendments related to FY 2020-21 can be done till September 2021 returns, which are to be filed in the month of October 2021.

If you can dream it, you can do it.

-Walt Disney

When something is important enough, you do it even if the odds are not in your favour

-Elon Musk

MINISTRY OF CORPORATE AFFAIRS (MCA)

I. Extension of time for holding of Annual General Meeting (AGM) for the financial year ended on 31.03.2021 in terms of third proviso to section 96(1) of Companies Act, 2013

Date of Order – September 23, 2021

MCA vide its order dated September 23, 2021, has directed to all Registrar of Companies to accord its approval of a 2 (Two) months extension to companies who have not been able to hold their Annual General Meetings for the financial year ended March 31, 2021.

In terms of the power vested under the third proviso to sub-section (1) of Section 96 of the Act, the Registrar of Companies extended the time to hold AGM, other than the first AGM, for the financial year ended on March 31, 2021, for Companies within the jurisdiction of their respective office, which are unable to hold their Annual General Meeting, without requiring the companies to file applications for seeking such extension by filing the prescribed Form No. GNL-1, such period within the due date of holding the AGM by a period of two months from the due date by which the AGM ought to have been held in accordance with Section 96(1) of the Act.

The RoC clarified that the extension granted under this Order shall also cover the pending applications filed in Form No. GNL-1 for the extension of AGM for the financial year ended on 31.03.2021, which is yet to be approved. Further, the applications filed in Form No. GNL-1 for the extension of AGM for the financial year ended on March 31, 2021, which were rejected, where the approval for the extension of AGM up to 2 months from the due date of the AGM shall be deemed to have been granted without any further action on the part of the Company.

II. Extension of last date of filing of Cost Audit Report to the Board of Directors under Rule 6(5) of Companies (Cost Record and Audit) Rules, 2014



Date of Circular - September 27, 2021

MCA vide its circular dated September 27, 2021, has granted relaxation of additional fees and extension of the last date of filing of Cost Audit Report to the Board of Directors under Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014 due to the impact of COVID-19 pandemic. On the basis of several representations received from various stakeholders for extension of the last date, MCA has decided that if cost audit report for the financial year 2020-21 by the cost auditor to the Board of Directors of the companies is submitted by October 31, 2021 then the same would not be viewed as a violation of Rule 6(5) of Companies (cost records and audit) Rules, 2014. Consequently, the cost audit report for the financial year ended on March 31, 2021 shall be filed in e-form CRA-4 within 30 days from the date of receipt of the copy of the cost audit report by the company. However, in case a company has got an extension of time for holding Annual General Meeting under section 96(1) of the Act then e-form CRA-4 may be filed within the timeline provided under the proviso to Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014.



THANK

YOU!

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