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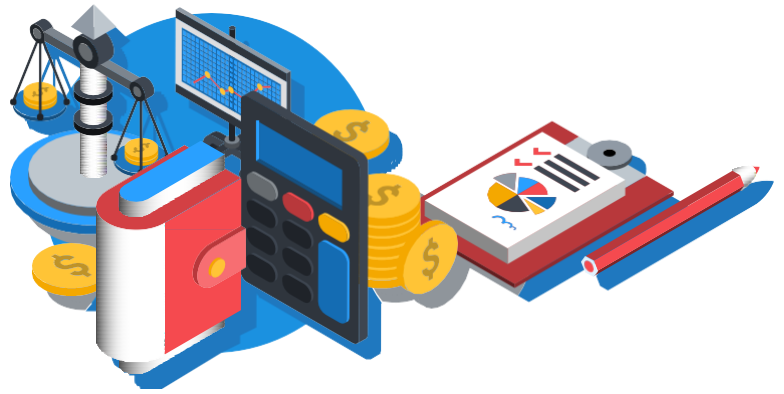
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# TAXES



## Direct TAX

### **CBDT - Directs banks to refund charges collected on transactions carried through prescribed electronic modes u/s.269SU post-Jan 2020**

CBDT advises banks to immediately refund the charges collected, if any, on transactions carried out using electronic modes prescribed u/s.269SU on or after 1st January 2020.

States that representations have been received that some banks are imposing & collecting charges on transactions carried out through UPI. States that "Such practice on part of banks is a breach of Section 10A of the PSS Act (Payment and Settlements Act) as well as section 269SU of the IT Act. Such breaches attract penal provisions under section 271DB of the IT Act as well as section 26 of the PSS Act." Further advises banks to not to impose charges on any future transactions carried through the prescribed modes.

Note: CBDT vide notification 105/2019 had notified 3 electronic modes, viz i) Debit Card powered by RuPay, ii) Unified Payments Interface [UPI] - BHIM-UPI and iii) UPI QR Code, for accepting payments in accordance with newly inserted Sec. 269SU. Further, CBDT vide circular 32/2019 had clarified that any charge including the MDR [Merchant Discount Rate] shall not be applicable on or after January 1st on payment made through prescribed electronic modes.

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### **CBDT notifies amendments in E-assessment Scheme, 2019 to implement faceless assessments**

CBDT notifies amendments in E-assessment Scheme, 2019 to implement faceless assessments.

'Best judgment' assessments u/s. 144 are now covered under the Faceless assessment scheme, notifies consequential changes in the procedure for assessment. Further, the amended scheme empowers Pr.CCIT/ Principal Director General, in charge of the NeAC, to refer the case to jurisdictional AO, at any stage of the assessment, with prior Board approval

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## **CBDT releases detailed MAP guidance for benefit of stakeholders including competent authorities**

CBDT's FT&TR division releases a detailed MAP guidance for the benefit of taxpayers, tax practitioners, tax authorities and CAs of India & of treaty partners; MAP guidance is presented in 4 parts - A) Introduction & Basic, B) Access & Denial of Access to MAP, C) Technical issues and D) Implementation of MAP outcomes.

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## **Due date for filing GSTR4 extended**

The Government has further extended the due date of filing of GSTR-4 for the year ending 31st March 2020 till 31st October 2020.

Earlier it was made applicable to the registered persons whose aggregate turnover in a financial year exceeds 100 crore rupees.

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## **Amendment to section 50 of the CGST Act notified**

The amendment provides that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.

The above amendment implies that if there is any delay in the payment of GST, then the interest shall be payable only on the amount paid through utilizing the cash ledger balance and if the GST is paid through available ITC, then interest shall not apply. However, the amendment requires that such transaction should have been declared in the return filed under section 39 i.e. GSTR3B. If the tax is paid through DRC03 challan, then it appears that the relief provided in the amendment is not available.

Further, the amendment has been made only to sub-section (1) of section 50, which deals with short payment or non-payment of tax. No amendment is made to sub-section (3), which provides for the reversal of ITC. Hence, the ambiguity continues whether for the reversal of the ineligible ITC before utilisation, whether interest will apply or not. Further, the amendment has been notified prospectively w.e.f. 1st September 2020. During the GST council meeting it was announced that the amendment shall be made retrospectively w.e.f. 1st July 2020. However, immediately, CBIC has issued a press release and clarified that no recovery shall be for the past period.

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## **Amendment to GST Rules**

The following amendments are made to the CGST Rules:

- In case where the applicant for registration opts for Aadhar authentication, the date of submission of the application in such cases shall be the date of authentication of the Aadhaar number, or 15 days from the submission of the application, whichever is earlier.
- In case where the person fails to undergo Aadhar authentication, then the registration shall be granted only after the physical verification of the place of business in the presence of the said person. It is further provided that the Joint Commissioner may authorize for verification of the documents in the place of physical verification.

- In case where the applicant does not opt for the Aadhar authentication, the time limit for issuing Form REG-03 has been extended to 21 days from the date of submission of the application.
- It is made optional for the proper officer to reject the registration application in the case of failure to provide the clarification by the applicant for the query raised. [earlier it was to mandatory to reject the application in such cases]
- Suitable amendments are made to the days by which the application shall be deemed as accepted.

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### Launch of GSTR2B

GSTN has launched GSTR2B report in the GST portal. GSTR-2B is an auto-drafted ITC statement which will be generated for every registered person on the basis of the information furnished by his suppliers in their respective GSTR-1, 5 (non-resident taxable person) and 6 (input service distributor).

It is a static statement and will be made available for each month, on the 12th day of the succeeding month.

Key features in GSTR-2B which would assist taxpayers in return filing are as under:

It contains information on import of goods from the ICEGATE system including inward supplies of goods received from Special Economic Zones Units / Developers. This is not available with the release of GSTR-2B for the month of July and will be made available shortly.

- A summary statement which shows all the ITC available and non-available under each section. The advisory given against each section clarifies the action to be taken by the taxpayers in their respective section of GSTR-3B.
- Document level details of all invoices, credit notes, debit notes etc. is also provided both for viewing and download.
- Taxpayers can access their GSTR-2B through: Login to GST Portal > Returns Dashboard > Select Return period >GSTR-2B.

# RESERVE BANK OF INDIA



## Credit flow to Micro, Small and Medium Enterprises Sector

In view of the representations from IBA and banks regarding applicability of certain aspects contained in the Gazette notification No. S.O. 2119(E) dated June 26, 2020 on new criteria for classifying the enterprises as micro, small and medium enterprises, the Ministry of MSME, vide their Office Memorandum (OM) No.2/1(5)/2019 – P & G/Policy (pt. IV) dated August 6, 2020 and letter F.No.5/2(2)/2020 - P & G/Policy dated August 13, 2020 has, inter alia, clarified the following

### A. Classification of Enterprise

As per para 2 of the said Gazette notification all enterprises are required to register online and obtain 'Udyam Registration Certificate'. All lenders may, therefore, obtain 'Udyam Registration Certificate' from the entrepreneurs

### B. Validity of EM Part II and UAMs issued till June 30, 2020

The existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAMs) of the MSMEs obtained till June 30, 2020 shall remain valid till March 31, 2021. Further, all enterprises registered till June 30, 2020, shall file new registration in the Udyam Registration Portal well before March 31, 2021.

'Udyam Registration Certificate' issued on self-declaration basis for enterprises exempted from filing GSTR and / or ITR returns will be valid for the time being, upto March 31, 2021

### C. Calculation of investment in plant and machinery or equipment

The online form for Udyam Registration captures depreciated cost as on 31st March each year of the relevant previous year. Therefore, the value of Plant and Machinery or Equipment for all purposes of the Notification No. S.O. 2119(E) dated June 26, 2020 and for all the enterprises shall mean the Written Down Value (WDV) as at the end of the Financial Year as defined in the Income Tax Act and not cost of acquisition or original price, which was applicable in the context of the earlier classification criteria.

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