

THE NEWSLETTER UPDATE

Your monthly guide to news, information and more..





EDITOR'S DESK

Dear Readers,

“Learning is a continuous process”. Being in a profession and in business industry it becomes so essential to learn on a continuous basis. With the motive to keep learning and stay updated regarding the statutory compliances, we have started with the concept of “UPDATES”. Through this document we not only keep you updated about the deadlines or due dates but also provide essential aids like:

- Article Study
- Motivational Mantra – Story
- Skill desk – excel learning tool

We are witnessing the Unlock 3 phase, where operations of the economy has commenced to a great extent, but the effect of CORONA is the same. We really pray for your safety. August being the month of festivals, we wish every reader a safe and happy celebrations.

The purpose and aim of document is to set out as a ready reckoner for the readers. We request you to share your views or suggestions for improving and delivering the best.

Further, lets pledge for a Safe, Atma Nirbhar and better India on the 73rd Independence Day.

Jai Hind.

Stay Safe and Stay Updated.

CA Vedant K. Parikh

(Partner)

Parikh & Associates



1. Compliance Calendar



2. Direct Tax Updates



3. Indirect Tax Updates



4. Article Study



5. Motivational Mantra



6. Skill Desk

AUGUST 2020

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
DAY 07 30	DAY 08 31					1
2	DAY 01 3	4	DAY 02 5	6	DAY 03 7	8
9	10	11	12	13	DAY 04 14	DAY 05 15
16	17	18	19	DAY 06 20	21	22
23	24	25	26	27	28	29

GSTR – 1 (Quarterly)GSTR 1 (Quarterly)
for April to June

3

GSTR – 1 (Monthly)GSTR 1 (Monthly)
for June

5

TDS PaymentTDS Payment
for July

7

TDS Certificatefor Tax deducted
under section 194IA,
194IB & 194M in the
month of June.

14

Form 16 - 16A (AY 20-21)Form 16 & 16A
for the Q4 of the
A.Y. 2020-21

15

Form 16A (AY 21-22)Form 16A for the
Q1 of A.Y. 2021-
22

15

PF / ESIC PaymentPayment of PF &
ESIC for the
month of July

15

GSTR 3B (July)for Taxpayers having
t/o more than Rs. 5
Cr. in Previous Year

20

TDS Statementu/s 194IA, 194IB &
194M in the
month of July.

30

GSTR -4/5/5A/6/7/8for which due dates
fall between 20th
March, 2020 to 30th
August, 2020

31

MOUs signed by CBDT

BEGINNING OF A NEW ERA OF COOPERATION AND SYNERGY

Memorandum of Understanding (MOU) between CBDT & SEBI

- ✓ The MoU will facilitate the sharing of data and information between SEBI and CBDT on an automatic and regular basis.
- ✓ Any information available in their respective databases will be exchanged on request and suo moto basis.
- ✓ A Data Exchange Steering Group has also been constituted for the initiative, which will meet periodically to review the data exchange status and take steps to further improve the effectiveness of the data sharing mechanism.



Memorandum of Understanding (MOU) between CBDT & CBIC (Central Board of Indirect Tax & Customs) superseding MOU signed in year 2015 with erstwhile CBEC (Central Board of Excise and Customs)

- ✓ The MoU will facilitate the sharing of data and information between CBIC and CBDT on an automatic and regular basis. Significant developments including introduction of GST, incorporation of GSTN and change in the nomenclature of Central Board of Excise and Customs (CBEC) to Central Board of Indirect Taxes and Customs are duly incorporated.
- ✓ Any information available in their respective databases which may have utility for the other organisation will be exchanged on request and spontaneous basis.

Memorandum of Understanding (MOU) between CBDT & MoMSME (Ministry of Micro, Small and Medium Enterprises)

- ✓ The MoU will facilitate seamless sharing of certain Income Tax Return (ITR) related information by Income Tax Department to MoMSME, enabling checking and classification of enterprises into Micro, Small or Medium Enterprise.

GST Waiver and other notifications

Last date for filling of GSTR 3B to get benefit of waiver of late fees and Interest.

Particulars	Feb	Mar	Apr	May	June #	July #	Aug \$
Tax payers having Aggregate Turnover of more than Rs. 5 Crore during Preceding financial year	24-06-2020	24-06-2020	24-06-2020	27-06-2020	20-07-2020	20-08-2020	20-09-2020
For Taxpayers having aggregate turnover of less than Rs. 5 Crore during Preceding financial year							
Taxpayers whose principal place of business is in the states having state code 22 to 37	30-06-2020	03-07-2020	06-07-2020	12-09-2020	23-09-2020	27-09-2020	01-10-2020
Taxpayers whose principal place of business is in the states having state code 1 to 21	30-06-2020	05-07-2020	09-07-2020	15-09-2020	25-09-2020	29-09-2020	03-10-2020

* If GSTR 3B is filled till date mentioned in table than late fee is waived.

**If GSTR 3B is filled till date mentioned in table than interest is waived and if return is filled after that date than interest will be charged at 9% till 30.09.2020.

Person having Aggregate Turnover of more than Rs. 5 Crore does not get any relaxation for filling of GSTR 3B from June month onward. According to Notification 57/2020 late fees for the month of May to July for Form GSTR 3B is waived in excess of Rs. 250 and fully waived for those taxpayers where total amount of central tax payable is Nil. if Return is filled till September 30th, 2020

\$ for the month of August 2020 Due date is extended till the date mentioned in table according to Notification 54/2020.

Relevant Notifications

Notification 51/2020, 52/2020 & 54/2020

Principal Notification 76/2018 dated 31-12-2018, 13/2017 dated 28-06-2017, 29/2020 dated 23rd March, 2020

Previous Notification 32/2020, 31/2020, 36/2020

Relevant Circular

136/06/2020 & 141/11/2020

Other Important Notifications

Notification No.	Particulars
58/2020-Central Tax dated 01.07.2020	Amendment in Section 67A of CGST Rules, 2020 for manner of furnishing of return or details of outward supplies by short messaging service facility.
59/2020-Central Tax dated 13.07.2020	Due date for Filling of GSTR 4 for the financial year 2019-20 is extended to 31 st August, 2020.
60/2020-Central Tax dated 30.07.2020	Schema and Form for GST-INVO1 (E-invoice) is updated.
60/2020-Central Tax dated 31.07.2020	Aggregate Turnover limit for issuance of E-Invoice is increased from Rs. 100 Crore to Rs. 500 Crores.
	Following Persons are exempt for issuing e-invoice
	1. Special Economic Zone Unit
	2. Banking Companies
	3. Insurance Companies
	4. Goods Transport Agency
	5. Passenger Transport Service
	6. Non-Banking Finance Company
	7. Multiplexes

Advance Ruling

Advance ruling on Classification of Hand Sanitizer

Advance ruling is sought by M/s. Springfields (India) Distilleries on classification of Whether Hand sanitizer will be covered under HSN 30049087 which attract GST rate of 12%.

Authority of Advance ruling has held that GST on the same will be classified under HSN 3808 & GST will be levied @ 18%.

After lot of Noise in industry GST department had also issued press release on July 15th 2020 and cleared the Air that mere classifying in essential item GST rate will not be reduced and by reducing GST rate on same will attract inverted duty structure so GST on Hand sanitizers will attract GST @ 18%.

Advance ruling on sale of developed plot of land

Advance ruling is sought by Shree Dipesh Anilkumar Naik on whether GST is applicable on sale of Plot of Land for which, as per requirement of Jilla panchayat primary amenities such as Drainage line, Water line, Electricity line, Land levelling etc. are to be provided by applicant.

In the said case authority has held that said case will fall under clause 5(b) Schedule-II and GST will be levied as it will fall under construction services.

Shortfall Tax on RCM for Real Estate Industry

The One Industry which is always in the eyes of Revenue Authorities due to shady transactions is Real Estate Industry and to save tax of Home Buyers government has reduced rate of GST with condition of Non Availability of Input Tax Credit and purchase of 80% of Inputs & Input Services from Registered person.

From April 1st, 2019 GST on Real Estate Transactions is governed by Notifications only. Following are relevant notifications for Real Estate Industry.

Notification No.	Subject
10/2019-Central Tax (Rate) ,dt. 10-05-2019	To amend notification No. 11/ 2017- Central Tax (Rate) so as to extend the last date for exercising the option by promoters to pay tax at the old rates of 12%/ 8% with ITC.
08/2019-Central Tax (Rate) ,dt. 29-03-2019	Seeks to amend notification No. 1/2017- Central Tax (Rate) so as to notify CGST rate of certain goods as recommended by Goods and Services Tax Council for real estate sector.
07/2019-Central Tax (Rate) ,dt. 29-03-2019	Seeks to notify certain services to be taxed under RCM under section 9(4) of CGST Act as recommended by Goods and Services Tax Council for real estate sector.
06/2019-Central Tax (Rate) ,dt. 29-03-2019	Seeks to notify certain class of persons by exercising powers conferred under section 148 of CGST Act, 2017.
05/2019-Central Tax (Rate) ,dt. 29-03-2019	Seeks to amend notification No. 13/2017- Central Tax (Rate) so as to specify services to be taxed under Reverse Charge Mechanism (RCM) as recommended by Goods and Services Tax Council for real estate sector.
04/2019-Central Tax (Rate) ,dt. 29-03-2019	Seeks to amend notification No. 12/2017- Central Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council for real estate sector.
03/2019-Central Tax (Rate) ,dt. 29-03-2019	Seeks to amend notification No. 11/2017- Central Tax (Rate) so as to notify CGST rates of various services as recommended by Goods and Services Tax Council for real estate sector.

Rate of Tax is applied only on real estate development intended for sale on owned land and Joint development arrangements with land owners up to completion of project only as afterwards sale of Building will fall under schedule-III of GST Act, 2017 which is not a supply. Following are various rates prescribed for different real estate transactions.

Transaction	New Rate (After Abetment)	Old Rate (Before Abetment)
Affordable Residential Apartment	1.5%*	12%
Residential Apartment	7.5%*	18%
Commercial projects in RREP	7.5%*	18%
Commercial projects	18%	18%

*This rate is available without ITC.

New GST rate is applicable on New Projects commenced from April 1st, 2019 or ongoing projects which are commenced before April 1, 2019 and option for old rate is not exercised before 10th May, 2019 in prescribed form in annexure-VI.

Old GST rate is applicable only for ongoing projects which are commenced before April 1, 2019 and option for Old rate is exercised before 10th May, 2019 in prescribed form in annexure-VI.

During this year 2020 in real estate industry it is very important to evaluate Shortfall tax on RCM Basis. This Shortfall tax on Real Estate Industry is introduced to restrict promoters to avail service or goods from unregistered tax payers as they are not allowed to avail any input tax credit. Notification 03-Central tax (Rate) dated March 29th, 2019 5th proviso in Column 5 against item i to id of column 3 provide for promoter has to procure eighty percent of value of inputs and input services shall be procured from registered person only. Following are exclusions of inputs and input service for calculation of eighty percent.

1. Services by way of grant of development rights
2. Long term lease of land (against upfront payment in the form of premium, salami, development charges etc.)
3. FSI
4. Electricity
5. High Speed diesel
6. Motor spirit
7. Natural GAS

Explanation to above proviso provide that Promoter has required to maintain project wise account of inward supply from registered and unregistered supplier and calculate tax payment on shortfall at the end of every financial year and shall submit the same in prescribed form by end of financial year but till date any form is not prescribed for the same.

Calculation of 80% limit has to be done every financial year and excess in financial year cannot be adjusted against shortfall of next year.

Illustration 1:

Sr. No.	Name of Input Goods & Services	Percentage of Input Goods & Services to Total Input Goods & Services	Whether Inputs received from registered supplier
1	Sand	5	Y
2	RMC Material	20	Y
3	Cement	5	N
4	Steel	3	Y
5	Bricks	7	Y
6	Paints	1	Y
7	Labour Charges	30	Y
8	Architect, Designing	5	Y
9	Professional Fees	2	Y
10	Interest on Unsecured Loan from Relatives	15	N
11	Interest from Bank	5	Y
12	Hardware	2	Y
Total Inputs & Input Services from registered suppliers			80
Total Inputs & Input Services from unregistered suppliers			20

In this example promoter has procured 80% goods and services from registered person however he has acquired cement from unregistered person on said input promoter has to pay GST on RCM basis @ 28%. As on purchase of Cement criteria of 80% limit will not be applicable. While calculating 80% limit purchase of Land is not required to consider as land is not an supply under GST Act, 2017.

Illustration 2 :

Sr. No.	Name of Input Goods & Services	Percentage of Input Goods & Services to Total Input Goods & Services	Whether Inputs received from registered supplier
1	Sand	5	Y
2	RMC Material	20	Y
3	Cement	5	Y
4	Steel	3	Y
5	Bricks	7	Y
6	Paints	1	Y
7.1	Labour Charges from Registered person	15	Y
7.2	Labour Charges from Unregistered person	15	N
8	Architect, Designing	5	Y
9	Professional Fees	2	Y
10	Interest on Unsecured Loan from Relatives & Partners capital	12	N
11	Interest from Bank	5	Y
12	Hardware	2	Y
13	Inputs on which GST is paid in RCM	3	Y

Total Inputs & Input Services from registered suppliers	73
---	----

Total Inputs & Input Services from unregistered suppliers	27
---	----

In this example promoter has procured 73% inputs and input services from registered person. On shortfall of 7% promoter has required to pay GST @ 18%. Shortfall occurred due to payment of Interest on unsecured loan from relatives & partners capital. Interest is exempt supply but here GST is required to pay @ 18% on shortfall of 7%. Here if Interest is paid to registered person than promoter has not required to pay GST as interest is exempt but if it is paid to unregistered person and if there was an shortfall than cost of promoter will increased.

The White Pebble

In a small Italian town, hundreds of years ago, a small business owner owed a large sum of money to a loan-shark. The loan-shark was a very old, unattractive looking guy that just so happened to fancy the business owner's daughter.

He decided to offer the businessman a deal that would completely wipe out the debt he owed him. However, the catch was that we would only wipe out the debt if he could marry the businessman's daughter.

Needless to say, this proposal was met with a look of disgust.

The loan-shark said that he would place two pebbles into a bag, one white and one black.

The daughter would then have to reach into the bag and pick out a pebble. If it was black, the debt would be wiped, but the loan-shark would then marry her. If it was white, the debt would also be wiped, but the daughter wouldn't have to marry the loan-shark.

Standing on a pebble-strewn path in the businessman's garden, the loan-shark bent over and picked up two pebbles.

Whilst he was picking them up, the daughter noticed that he'd picked up two black pebbles and placed them both into the bag.

He then asked the daughter to reach into the bag and pick one.

The daughter naturally had three choices as to what she could have done:

1. Refuse to pick a pebble from the bag.
2. Take both pebbles out of the bag and expose the loan-shark for cheating.
3. Pick a pebble from the bag fully well knowing it was black and sacrifice herself for her father's freedom.

She drew out a pebble from the bag, and before looking at it 'accidentally' dropped it into the midst of the other pebbles. She said to the loan-shark;

"Oh, how clumsy of me. Never mind, if you look into the bag for the one that is left, you will be able to tell which pebble I picked."

The pebble left in the bag is obviously black, and seeing as the loan-shark didn't want to be exposed, he had to play along as if the pebble the daughter dropped was white, and clear her father's debt.

The Moral :

It's always possible to overcome a tough situation throughout of the box thinking, and not give in to the only options you think you have to pick from.

IFERROR function for Reports

If you create, run, or alter Excel reports often enough you'll eventually encounter formula errors. Understanding the types of errors that "pop up" and why they occur is essential, so you know how to properly correct them. Below are the errors with their respective descriptions,

Error	Description
#DIV/0!	This is probably the most common error and easiest to pinpoint. When you divide a number by zero you will get this error.
#VALUE!	This error is returned when the wrong type of argument is used. For example, if you try to multiply a value by a cell that has text in it.
#REF!	This error results when you move your formulas and haven't correctly specified which cells are fixed and which should move with your formula. Also, if you delete some cells that were a part of your formula.
#NAME?	The most common reason for this error is because the formula has been mistyped and Excel doesn't recognize what function you are referring to.
#N/A!	This is a frequent error if you are using Lookup formulas (especially in VLOOKUP) and the matching cannot be done.
#NULL!	This is an uncommon error and occurs if you haven't specified your ranges correctly, e.g. typing SUM(B4 B6) instead of SUM(B4:B6) or SUM(B4,B6).
#NUM!	This is another uncommon error and occurs when you supply an invalid number to your formula e.g. if you are using negatives where a positive number is required by your function.

IFERROR detects the above errors in a formula and returns the exact message (value) that you want to show if one of these errors are encountered.

Syntax:

=IFERROR (value, value_if_error)

which is,

value - A value or logical expression that can be evaluated as an error.

value_if_error - [optional] The value (error message) to return when logical_test evaluates to an error.

Example:

In the below example, you can see an example of an error free % change calculation. The IFERROR function hides the error values.

E2 fx =IFERROR(B2/C2-1,"")

	A	B	C	D	E
1	Customer	Quantity 2016	Quantity 2015	% Change	% Change with IFERROR
2	Customer A	2,739	4,465	-39%	-39%
3	Customer B	2,667	Follow up	#VALUE!	
4	Customer C	2,447	1,468	67%	67%
5	Customer D	2,324		#DIV/0!	
6	Customer E	2,274	3,664	-38%	-38%
7	Customer F	2,273		#DIV/0!	
8	Customer G	1,915	3,043	-37%	-37%
9	Customer H	1,883	2,874	-34%	-34%
10	Customer I	1,814	1,600	13%	13%
11	Customer J	2,130		#DIV/0!	
12	Customer K	2,360	1,950	21%	21%

About Parikh & Associates

Parikh & Associates, Chartered Accountants is Chartered Accountancy Firm Registered with The Institute of Chartered Accountants of India (ICAI). We are the team of young and energetic professionals having experience in diversified areas of the industry with a positive approach to provide expert and professional services with due care of professional ethics.

We believe in a steady approach towards offering high-quality professional services to our clients.

Offices

Ahmedabad

308, Akshar Stadia,
Opp. Symphony House,
Off Sindhuhavan Road,
Bodakdev, Ahmedabad – 380 054

Godhra

Swaminarayana Complex,
Bamroli Road,
Godhra. – 389001

Contact:

CA Vedant K. Parikh

Partner

T: +91 9427261777

CA Jainam P. Shah

Partner

T: +91 9429966332



www.parikhandassociates.in



info@parikhandassociates.in



[parikhandassociates](https://www.facebook.com/parikhandassociates)



[parikhandassociate](https://www.instagram.com/parikhandassociate)

This publication contains information in summary form and is therefore intended for general guidance only. The document is intended to be used internally, and not for external use. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither Parikh & Associates nor any other member of the organization accepts any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.