

Kharabanda Associates, Chartered Accountants

Newsletter : Taxation and Business Advisory

2023/Issue 02

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Identification of fraudulent GSTINs & Information Sharing Mechanism

Based on detailed data analytics and risk parameters, GSTN will identify such fraudulent GSTINs for State and Central Tax authorities.

GSTN will share the details of such identified suspicious GSTINs, jurisdiction wise, with the concerned State/ Central Tax administration (through DGARM in case of Central Tax authorities) for initiating verification drive and conducting necessary action subsequently.

Guidelines for Special All-India Drive against Fake GST Registration

In the National Co-ordination Meeting on 24th April 2023, it was discussed that while various system based and policy measures are being taken to address the problem of fake registration and fake input tax credit, there is a need of concerted and coordinated action on a mission mode by Central and State Tax Authorities to address the same in a more systematic manner.

A nation-wide effort in the form of a **Special Drive has been launched on All-India basis to detect such suspicious / fake registrations and to conduct requisite verification** for timely remedial action to prevent any revenue loss to the Government.

⇒ Period of Special Drive

A Special All-India Drive may be launched by all Central and State Tax administrations during the period **16th May 2023 to 15th July 2023**.

Original Documents Required at Business Place :

- GST Certificate Copy
- Aadhar Card
- PAN Card
- Rent Agreement
- Latest Electricity Bill
- Current bank Account Cancel Cheque
- Purchase Bill Copy
- Sale Bill Copy
- To affix sign board at work place which should include – Name of the Entity, Address and GST number.

RBI Circular on INR 2,000 Bank Notes Withdrawal

It has been decided that, in pursuance of the “**Clean Note Policy**” of the Reserve Bank of India, the ₹2000 denomination banknotes shall be withdrawn from circulation. The ₹2000 banknotes will continue to be legal tender.

Relevant points:

- 1) All banks shall discontinue issue of ₹2000 denomination banknotes with immediate effect. ATMs/Cash Recyclers may also be reconfigured accordingly.
- 2) The facility for deposit and/or exchange of ₹2000 banknotes shall be available for members of the public **up to September 30, 2023**.
- 3) Deposit of ₹2000 banknotes into accounts maintained with all banks can be made in the usual manner, that is, without restrictions and subject to compliance with extant **Know Your Customer (KYC) norms** and other applicable Statutory requirements. The banks shall also be required to comply with Cash Transaction Reporting (CTR) and Suspicious Transaction Reporting (STR) requirements, where applicable.
- 4) The facility for exchange of ₹2000 banknotes shall be provided to all members of the public by all banks through their branches.
- 5) With a view to minimize inconvenience to the public, to ensure operational convenience and avoid disruption of the regular activities of bank branches, all banks **may exchange ₹2000 bank notes up to a limit of ₹20,000 at a time** (A non-account holder also can exchange ₹2000 banknotes up to a limit of ₹20,000 at a time at any bank branch)
- 6) The exchange facility shall be provided **free of cost**.
- 7) Business Correspondents (BCs) may also be allowed to exchange ₹2000 banknotes **up to a limit of ₹4000 per day** for an account holder. For this purpose, banks may, at their discretion, enhance the cash holding limits of BCs.
- 8) While crediting the value of ₹2000 notes to Jan Dhan Yojna Accounts / Basic Savings Bank Deposit (BSBD) Accounts, the usual limits will apply mutatis mutandis.
- 9) The banks shall to the extent feasible make special arrangements to reduce inconvenience to the senior citizens, persons with disabilities and women seeking to exchange/deposit ₹2000 notes.
- 10) For **redress of grievance in case of deficiency of service**, the complainant / aggrieved customer may first approach the concerned bank. If the bank does not respond **within a period of 30 days** after lodging of the complaint or if the complainant is not satisfied with the response/resolution given by the bank, the complainant can lodge the complaint under the Reserve Bank - Integrated Ombudsman Scheme (RB-IOS), 2021 at the Complaint Management System portal of RBI (cms.rbi.org.in).

Note: The banknotes in ₹2000 denomination will continue to be legal tender.

Recent Judgements



IN THE ITAT KOLKATA BENCH 'SMC'

Siddhi Vinayaka Graphics (P.) Ltd.

v.

ADIT/ACIT, Circle-7(2), Kolkata

SANJAY GARG, JUDICIAL MEMBER

IT APPEAL NO.61 (KOL.) OF 2023

[ASSESSMENT YEAR 2020-21]

MAY 16, 2023

INCOME TAX : Disallowance/adjustment made by Assessing Officer on account of delayed deposit of employees' contribution to PF/ESI under section 36(1)(va) relying on Supreme Court judgement in Checkmate Services (P) Ltd. v. CIT (2022) 448 ITR 518 (SC) was justified as it was latest decision and would be applicable retrospectively

Section 36(1)(va), read with sections 2(24) and 43B of the Income-tax Act, 1961 - Employee's contributions - (PF/ESI) - Assessment year 2020-21 - Assessing Officer relying on judgement of Supreme Court in Checkmate Services (P) Ltd. v. CIT (2022) 448 ITR 518 (SC) made adjustment by disallowing payment of employees' contribution to PF/ESI beyond due date prescribed in respective statute.

Assessee submitted that before above decision of Supreme Court, judgement of Calcutta High Court in CIT v. Vijayshree Ltd. (2014) was holding field which held that employees' contribution if deposited within due date of filing of ITR was not to be disallowed under section 36(1)(va), therefore, Assessing Officer was not justified in making adjustment under section 143(1)(a) - However, it is well settled that law declared by a court will have retrospective effect, if not otherwise stated to be so specifically and whenever, a previous decision is overruled by a larger bench of Supreme Court, previous decision is completely wiped out and Court would have to decide cases according to law laid down by latest decision of Supreme Court and not by decision which had been expressly overruled - Further, decision rendered later would have retrospective effect clarifying legal position which were not clearly understood - Whether therefore, law declared by Supreme Court will be retrospectively applicable and it will be treated that earlier decision of High Court favouring assessee would be of no benefit of assessee at this stage as said decisions of High Courts are treated to be never existed or to say are wiped out.

Held- disallowance/adjustment made by Assessing Officer on account of delayed deposit of employees' contribution to PF/ESI under section 36(1)(va) relying on Supreme Court judgement in Checkmate Services (P.) Ltd. (supra) was justified -[In favour of revenue]



25 May 2023

- ◆ Due date of GST Challan Payment for April 2023 (For All Quarterly Filers)

30 May 2023

- ◆ Due date of Form 11 (Annual Return) for LLP's for the Financial Year 2022-23.
- ◆ TDS Payment in Form 26QB (Property), 26QC (Rent) and 26QD (Contractor Payments) for April 2023.

31 May 2023

- ◆ Due date of filing TDS Return in Form 24Q, 26Q and 27Q for the Quarter January-March 2023.

07 June 2023

- ◆ Due date for deposit of Tax deducted by an office of the Government for the month of April, 2023.

10 June 2023

- ◆ Due date for Professional Tax (PT) on Salaries for May 2023.

11 June 2023

- ◆ Due date for GSTR 1 (Monthly Return of Outward Supplies for April 2023)

13 June 2023

- ◆ Due date for GSTR 1 IFF for QRMP for the month of May 2023.

15 June 2023

- ◆ Advance Tax Payment for April to June 2023 (1st Installment)
- ◆ Due date of Provident Fund and ESI Returns Payments for May 2023.

20 June 2023

- ◆ Due date of filing monthly GSTR 3B.

22 June 2023

- ◆ Due date for filing Quarterly GSTR 3B (For Taxpayer opting for QRMP scheme– Category A States)

24 June 2023

- ◆ Due date for filing Quarterly GSTR 3B (For Taxpayer opting for QRMP scheme– Category B States)

30 June 2023

- ◆ Due date of Form DPT 3 for FY 2022-23 for Companies.
- ◆ TDS Payment in Form 26QB (Property), 26QC (Rent) and 26QD (Contractor Payments) for April 2023.
- ◆ Due date for IEC Code Renewal.

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EXCELLENCE IN
ALL OUR
SERVICES

IMPACT AND
SOLUTION FOR
YOUR BUSINESS

DID YOU KNOW

- ⇒ Overseas spending using International Debit or credit cards will not attract any TCS up to INR 7 Lakhs per financial year.
- ⇒ Assessee eligible to get Section 54F deduction even if new house was not constructed within prescribed time limit subject to genuine reason.
- ⇒ Threshold limit for generating E-invoices is reduced to INR 5 crores w.e.f. 01 August 2023.
- ⇒ GST Registration to be taken by GPA holder who entered into leasing of building for commercial purposes: AAR