

MONTHLY NEWSLETTER

OCTOBER 2021
Volume 1 Issue 1

S M B & ASSOCIATES,
COIMBATORE
www.smbassociates.co.in

INSIDE THIS ISSUE

1. Getting Started
2. Article Section
3. Due Dates Ahead
4. GST Council Meeting Highlights



Getting Started

By Partners

Greetings to All!

This initiative of monthly newsletter (Vol I) with the idea of easing our preparedness for the upcoming due dates on compliance under various laws circulating your business is for your view.

Many of the business feel the heat of upcoming compliance dates and this initiative comes up also with articles on thought bound concepts which we forget to look around in fast changing Audit Arena.

This initiative of monthly newsletter with compliance dates and thought-provoking articles requires all your support and wishes!

Now set back and have a happy learning...

Specified Financial Transactions (Part I)

By Partners

Imagine you undertake a bank visit and make a cash deposit of Rs. 12,00,000/- on the 5th of February. Now, as on 1st of July of you log in to the Income Tax portal and download your Form 26AS. You notice that Rs. 12,00,000/- has been reflected in your Form 26AS.

How does the amount deposited by you in your bank account, get reflected in Form 26AS?

The answer to the above question is SFT - Specified Financial Transactions. Deposit of Rs. 10,00,000/- or more in a bank account of a person has been covered under transactions to be reported as Specified Financial Transaction.

Introduction:

Originally introduced in the year 2003 under section 285BA which requires specified person to submit 'Annual Information Return (AIR)'. Later in the Finance Act 2014, replaced Section 285BA and renamed it as 'obligation to furnish statement of financial transaction or reportable account'.

Specified transaction required to be reported:

Financial transaction specifically required to be reported under Section 285BA are as follows:

- Transaction of purchase, sale/ exchange of goods or property or right or interest in a property; or
- Transaction for rendering any service; or
- Transaction under a works contract; or
- Transaction by way of an investment made or expenditure incurred; or
- Transaction for taking or accepting any loan or deposit

Values of each different transaction will be discussed as separate articles.

SFT Code in Form 26AS:

CODE	TYPE OF TRANSACTION
SFT- 001	Purchase of bank drafts or pay orders in cash
SFT- 002	Purchase of pre-paid instruments in cash
SFT- 003	Cash deposit in current account
SFT- 004	Cash deposit in account other than current account
SFT- 005	Time deposit
SFT- 006	Payment for credit card
SFT- 007	Purchase of debentures
SFT- 008	Purchase of shares
SFT- 009	Buy back of shares
SFT- 010	Purchase of mutual fund units
SFT- 011	Purchase of foreign currency
SFT- 012	Purchase or sale of immovable property
SFT- 013	Cash payment for goods and services
SFT- 014	Cash Deposit during specified period
SFT- 015	Dividend Income
SFT- 016	Interest Income

Conclusion:

Hope this article maps out a basic understanding about SFT. In the near future, the Government is planning to expand the scope of SFT, by bringing more transactions under its purview. A detailed article about the threshold of each of the above mention transactions along with the due date and penalty of filing will be discussed in upcoming newsletters.

DUE DATES FOR GST RETURNS - OCTOBER' 21

Due date	Form to be filed	Period	Who should file?
10.10.2021	GSTR 7	September 2021	GSTR 7 is a return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST
10.10.2021	GSTR 8	September 2021	GSTR-8 is a return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST
11.10.2021	GSTR 1	September 2021	Taxpayers having an aggregate turnover of more than Rs. 1.50 Crores or opted to file Monthly Return
13.10.2021	GSTR 1 (QRMP)	July to September 2021	GST return for the taxpayers who opted for QRMP scheme (Optional)
13.10.2021	GSTR 6	September 2021	Input Service Distributors
18.10.2021	CMP- 08	July to September 2021	Composition
20.10.2021	GSTR 5 & 5A	September 2021	Non-Resident Taxpayers and ODIAR services provider
20.10.2021	GSTR 3B	September 2021	The due date for GSTR-3B having an Annual Turnover of more than 5 Crores
25.10.2021	GST Challan Payment	September 2021	GST Challan Payment if no sufficient ITC for September (for all Quarterly Filers)

COMPANY & LLP ANNUAL FILING DUE DATES

14.10.2021	ADT 1	FY 2020-21	Form ADT 1 filing for the Auditors Appointment (If AGM is held on 30.09.2021) If AGM was not held on 30.09.2021, then Form ADT 1 needs to be filed within 15 days from the conclusion of AGM.
29.10.2021	Form AOC 4	FY 2020-21	AOC 4 filing by Companies (If AGM is held on 30.09.2021) - If AGM was not held on 30.09.2021, then AOC 4 needs to be filed within 30 days date of the conclusion of AGM. Note: Extension of AGM date is notified
30.10.2021	LLP Form 8	FY 2020-21	Every LLP should submit the data of its profit or loss and balance sheet. Financial Report of LLP
31.10.2021	Form MSME	April to September 2021	All MSMEs should file a half-yearly return with the registrar for outstanding payments to Micro or Small Enterprises.

DUE DATES FOR INCOME TAX COMPLIANCE / PF / ESI - OCTOBER 2021

07.10.2021	Challan No. ITNS-281	September 2021	Payment of TDS/TCS deducted /collected in September 2021.
15.10.2021	TDS Certificate	August 2021	Due date for issue of TDS Certificate for tax deducted under Section 194IA in the month of August, 2021
15.10.2021	TDS Certificate	August 2021	Due date for issue of TDS Certificate for tax deducted under Section 194IB in the month of August, 2021
15.10.2021	TDS Certificate	August 2021	Due date for issue of TDS Certificate for tax deducted under Section 194M in the month of August, 2021
15.10.2021	Form 24G by Government officer	September 2021	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of September, 2021 has been paid without the production of a challan
15.10.2021	Form No. 3BB	September 2021	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of September, 2021
15.10.2021	TCS Payment	July to September 2021	Quarterly statement of TCS deposited for the quarter ending September 30, 2021
15.10.2021	Electronic Challan cum Return (ECR) (PF)	September 2021	E-payment of Provident Fund
15.10.2021	ESI Challan	September 2021	ESI payment
30.10.2021	TDS Challan-cum-statement	September 2021	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194 IB, 194M
30.10.2021	TCS Certificate	July to September 2021	Quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending September 30, 2021
31.10.2021	Form 3CEAB	FY 2020-21	Intimation by a designated constituent entity, resident in India, of an international group in Form no. 3CEAB for the accounting year 2020-21
31.10.2021	TDS Payment	July to September 2021	Quarterly statement of TDS deposited for the quarter ending September 30, 2021

31.10.2021	Annual Audited Account	FY 2020-21	Due date for furnishing of Annual audited accounts for each approved programme under section 35(2AA)
31.10.2021	Non TDC Return	July to September 2021	Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending September 30, 2021
31.10.2021	Copies of Form No. 60	April to September 2021	Copies of the declaration received in Form No. 60 during April 1, 2021 to September 30, 2021 to the concerned Director/Joint Director
31.10.2021	-	-	Payment of tax under the Direct Tax Vivad se Vishwas Act, 2020 with additional charge

IMPORTANT RECOMMENDATIONS OF 45TH GST COUNCIL MEETING (17th Sept 2021)

S.NO	PARTICULARS	EXISTING PROVISIONS	RECOMMENDATIONS
1	Rule 36(4)	Rule 36(4) restricts ITC in GSTR-3B to 105% of eligible ITC in GSTR-2B	ITC of invoices which are reflected in GSTR-2B alone can be availed. (5% Cushion is removed)
2	Rule 59(6)	From 01st September 2021 GSTR-1 cannot be filed if 3B is not filed for 2 months/ previous quarter	From 01st January 2022 this 2 month cushion is reduced to 1 month
3	Late Fee for GSTR-1	Till date late fee for GSTR-1 is not collected in Portal	GSTR-1 late fee will be collected in GSTR-3B of next month
4	ITC-04 (Form to be filed by person giving or receiving goods on job work)		
	For taxpayer having TO above Rs. 5 Crores in Previous FY	ITC-04 has to be filed quarterly before 25th of the succeeding month	ITC-04 to be filed half-yearly
	For taxpayer having TO up to Rs. 5 Crores in Previous FY	from end of quarter	ITC-04 to be filed annually

OTHER RECOMMENDATIONS

1	Aadhar Authentication in GST Portal is mandatory for Refund and application for revocation of cancellation of registration.
2	Refund to be disbursed only to bank account which is linked to PAN, based on which GST Registration is obtained.
3	Unutilized cash balance in CGST and IGST can be transferred between GST Registrations with same PAN. Transfer of SGST is not allowed.
4	In line with Madras High Court Case law the interest is to be charged only on "ineligible ITC availed and utilized" and not on ineligible ITC availed. The rate of interest is also set at 18% with effect from 01st July 2017.