

Dear readers,

We have collectively lived through the most unprecedented year. It is customary for most people to write a memo at the end of the year to see what the next year can bring. If learnings from 2020 are to be taken to heart, we really don't have a credible roadmap to what the next year could look like.

A new strain of the Corona virus has erupted in parts of the world and we are isolating ourselves from each other again. Flights from the UK to many parts of the world have been stopped and the number of Covid cases per day in the US hit a peak of 2.8 lacs on 11 Dec and hopefully are now on their way down, but the impact of the new strains and the upcoming winter are still unknowns.

The good news is that we have learnt to adapt to deal with a certain degree of uncertainty relating to Covid and businesses have been very resilient. The depths that we have reached in terms of economic activity and struggle is most likely behind us and things should only start looking better going forward. The year gone by has been extraordinary and some of the positives that we have experienced as a collective humanity. As the next CEO of HDFC MF put it, we discovered PPE – Patience, Perseverance and Empathy.

The year gone by has been a year of disbelief and for a lot of people it would be punctuated with a lot of regret. Disbelief in how something could suddenly shut us down, disbelief in how a period of such great strife could lead to highs in stock markets, buoyancy in property markets and how a new normal would return so soon. Regret emanating from opportunities missed and mistakes committed.

Hindsight is always 20-20, pun intended, and instead of the regret, one should realize that there was little warning for all that has happened in the year gone by and range of possible outcomes was very large indeed. While some of us have unfortunately lost loved ones, we should be thankful that the virus did not turn out to be as lethal as what we had first feared.

Beyond the disbelief and regret, we have much to be grateful for and with that Gratitude, we urge you to embrace the opportunities and challenges that the next year brings. Happy New Year!

Regards

Dinesh D. Ghalla

INDIRECT TAX (GST)

GSTR-2A and GSTR-2B

GST law seeks to ensure the accurate transfer of input tax credit (ITC) between the states and the parties in the transaction. Invoice matching is a concept wherein all the taxable supplies procured by a buyer and supplied by a seller are matched. The law has mandated the reconciliation with transactions reported by the vendor vide Rule 36(4) of CGST Rules, 2017, wherein ITC that can be availed is limited to 110% of available ITC reported by the vendors. GSTR2B provides eligible and ineligible Input Tax Credit (ITC) for each month, similar to GSTR2A but remains constant for a period. Both the statement i.e. GSTR2A and GSTR2B will clearly show document wise details of ITC eligibility.

In this article, we are going to present about the multiple changes around GSTR 2A and GSTR 2B and its implications.

To know more please [click here.](#)

NBFC UPDATE

Note on Dividend Distribution by NBFC

Considering the increasing significance of NBFCs in the financial system & their inter-linkages with different segments, the RBI has decided to formulate guidelines on dividend distribution by NBFCs.

This "Note on Dividend Distribution by NBFC" gives a brief about the draft guidelines issued by the RBI on distribution of Dividend by NBFC along with our analysis of the same

To know more, please [click here.](#)

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