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## Contents

**IncomeTax**

by:  
Manish Parekh



**GST (Goods &  
Service Tax)**

by:  
Anuya Sawant



**International  
Taxation**

by:  
Bhavesh Shah



**Company  
Law**

by:  
Mayura Niphadkar  
Pinkesh Jain



**Compliance  
Calender**

by:  
Pinkesh Jain



**Just 15% of  
Outstanding arrears of  
corporate tax  
recovered in five years**

The government has been able to recover just 15 per cent of the total outstanding arrears of corporate tax of Rs 20,78,267 crores in the last five years.

The data presented by the Ministry of Corporate Affairs to the Lok Sabha while replying to a written question in July this year, reveals that arrears of Rs 3,19,248 crore have been recovered from defaulters. Data shows that in the last three fiscals, the government was unable to collect even 20 per cent of the corporate tax arrears annually.

“A substantial part of the outstanding taxes is not readily collectible due to various reasons, including companies in liquidation, before NCLT under the Insolvency and Bankruptcy Code, and companies not having adequate assets for sale and recovery,” the Ministry stated.

*Source: <https://www.thehindubusinessline.com>*

**Extension of Due Date  
for Filing Tax Return  
and Audit Report for  
Union Territory of  
Jammu & Kashmir and  
Union Territory of  
Ladakh**

On consideration of reports of disturbances in internet facility in certain areas of Jammu and Kashmir, the Central Board of Direct Taxes (CBDT), in exercise of powers conferred under section 119 of the Income-tax Act, 1961 ('Act') and in partial modification of CBDT's order under section 119 of the Act dated 23.07.2019 and 27.09.2019, hereby further extends the 'due-date' for filing of Income tax Returns/Tax Audit Reports to 30th November, 2019 in respect of all categories of income-tax assesseees in the Union Territory of Jammu and Kashmir and Union Territory of Ladakh who were/are required to file the Income-tax Returns/Tax Audit Reports by the due date specified under section 139(1) of the Act read with orders of CBDT under section 119 of the Act dated 23.07.2019 and 27.09.2019.

It is also clarified that ITRs filed by the certain categories of income-tax assesseees who were required to file ITRs by 31.08.2019, but have filed ITRs after 31.08.2019 till the date of issuance of this order shall be deemed to have been filed within the due date specified under section 139(1) of the Act read with CBDT's order section 119 of the Act dated 23.07.2019.

*([https://www.incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDF\\_News/Extension\\_of\\_Due\\_Date\\_of\\_Income\\_Tax\\_Returns-dated-31-10-2019.pdf](https://www.incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDF_News/Extension_of_Due_Date_of_Income_Tax_Returns-dated-31-10-2019.pdf))*

## New Provisions to Claim GST Input Tax Credit

As notified by GST authorities, GST Input Tax Credit (ITC) will be available only to the extent of 120% of Eligible ITC as per GSTR-2A reflected on GSTIN Portal.

For Example:-

Sr No.	Particulars	Amount (INR)
A)	ITC as per Books	2,000/-
B)	ITC as per GSTR-2A	1,500/-
	Invoices not uploaded by Supplier (A-B)	500/-
C)	Eligible ITC (B*120%)	1,800/- (1,500*120%)
D)	ITC not available (A-C) (In respect of invoices not uploaded by the supplier in their GSTR-1, however it will be available when the invoices are uploaded i.e when reflected on GSTR-2A)	200/-

Hence, Even though assessee have total ITC of INR 2,000/- The assessee **cannot claim it completely while discharging its Tax liability in GSTR-3B** as the suppliers have not uploaded invoices in GSTR-1.

Further the Unclaimed ITC as per above illustration (i.e 200/-) **can be claimed as ITC in GSTR-3B for succeeding tax period** once the same gets reflected in GSTR-2A.

[Notification No. 49/2019 - GST dated 9th October, 2019]

## Clarification regarding determination of place of supply in case of software/design services related to Electronics Semiconductor and Design Manufacturing (ESDM) industry

The following clarifications have been provided by GST authorities

In contracts where service provider is involved in a composite supply of software development and design for integrated circuits electronically, testing of software on sample prototype hardware is often an ancillary supply, whereas, chip design/software development is the principal supply of the service provider. The service provider is not involved in software testing alone as a separate service. The testing of software/design is aimed at improving the quality of software/design and is an ancillary activity. The entire activity needs to be viewed as one supply and accordingly treated for the purposes of taxation. These cases are fact based and each case should be examined for the nature of supply contracted.

Therefore, it is clarified that the place of supply of software/design by supplier located in taxable territory to service recipient located in non-taxable territory by using sample prototype hardware / test kits in a composite supply, where such testing is an ancillary supply, is the location of the service recipient as per Section 13(2) of the IGST Act. Provisions of Section 13(3)(a) of IGST Act (performance based services) do not apply separately for determining the place of supply for ancillary supply in such cases.

[Circular No. 118/37/2019 - GST dated 11th October, 2019]

***Offshore supply of equipment by an Italian company to Indian telecom operators in not taxable in the absence of a PE and business connection in India***

Based on the facts and in the circumstances of the case, recently the Delhi bench of Income Tax Appellate Tribunal in the case of Siemens Mobile Communications SPA, the tax payer, held that offshore supply of equipment to telecom operators in India cannot be brought to tax in the absence of a Permanent Establishment (PE) in India under the India-Italy Tax Treaty and in the absence of business connection under the Indian Income Tax Act, 1961.

The role of tax payer was limited to mere supply of hardware components directly from Italy in such a manner that the sales stood concluded, title transferred and consideration received outside India. The tax payer was neither responsible for, nor undertook installation, testing and commissioning, the same being the responsibility of the telecom operator themselves. Accordingly, in view of the no PE or Business Connection in India, the Tribunal held that no income can be attributed to India.

*(Siemens Mobile Communications SPA v. DCIT (ITA No. 2810/Del/2003) – Taxsutra.com)*

***Business Support Service fees received by a foreign company from its Indian subsidiary are not taxable as royalty under the India-Netherlands tax treaty***

Based on the facts and in the circumstances of the case, recently the Mumbai bench of Income Tax Appellate Tribunal in the case of Van Oord Dredging and Marine Contractors BV, the tax payer, held that fees received by a foreign company for rendering business support services to its Indian subsidiary cannot be treated a royalty under the India-Netherlands Tax Treaty since there was neither imparting of any know-how nor transfer of any knowledge, skill or experience.

*(Van Oord Dredging and Marine Contractors BV v. DCIT (ITA No. 4136/Mum/2016) - Taxsutra.com)*



**The Companies  
(Meetings of Board  
and its Powers)  
Amendment Rules,  
2019**

▲ **Original Rules-**

The Companies (Meetings of Board and its Powers) Rules, 2014

▲ **Effective Date of Amendment:**

11 th October, 2019

▲ **Amendment-**

to amend sub - rule 2 of rule 11 (Loan and investment by a company under section 186 of the Act) of the Companies (Meetings of Board and its Powers) Rules, 2014 to substitute words “**business of financing industrial enterprises**” at the place of “**business of financing of companies**” for the purpose of any loan made, any guarantee given or any security provided or any investment made by a banking company, or an insurance company, or a housing finance company in the ordinary course of its business, or a company established with the object of and engaged in the business of financing industrial enterprises, or of providing infrastructural facilities,”.

<http://www.mca.gov.in/Ministry/pdf/MeetingsBoardPowersAmendtRules11102019.pdf>

**General Circular  
regarding relaxation of  
additional fees and  
extension of last date  
of filing of Form CRA-4  
(Cost Audit report)**

The Ministry vide its circular No.12 dated 24.10.2019 informed that, the time- limit for filing Form CRA is extended up to 31.12.2019 without payment of additional fee and thereafter fee and additional fee shall be payable.

[http://www.mca.gov.in/Ministry/pdf/GeneralCircular\\_25102019.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircular_25102019.pdf)

**General Circular  
regarding relaxation of  
additional fees and  
extension of last date  
of filing of Forms MGT  
- 7 (Annual Return)  
and AOC-4 (Financial  
Statement)**

The Ministry vide its circular No.13 dated 29.10.2019 informed that, the time- limit for filing Form AOC – 4 (including Form AOC -4 XBRL and Form AOC – 4 CFS) and Form MGT - 7 is extended up to 30.11.2019 and 31.12.2019 respectively without payment of additional fee and thereafter fee and additional fee shall be payable.

[http://www.mca.gov.in/Ministry/pdf/GeneralCircular\\_29102019.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircular_29102019.pdf)

**General Circular  
regarding relaxation of  
additional fees and  
extension of last date  
of filing of Form IEPFA  
-1A and IEPF – 2**

The Ministry vide its circular No.11 dated 25.10.2019 informed that, the time- limit for filing Form IEPFA – 1A and IEPF – 2 is extended up to 31.12.2019 and 30.11.2019 respectively without payment of additional fee and thereafter fee and additional fee shall be payable.

[http://www.mca.gov.in/Ministry/pdf/GeneralCircular1\\_25102019.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircular1_25102019.pdf)

### **The Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019:**

- ▲ **Original Rules-**  
The Companies (Appointment and Qualification of Directors) Rules, 2014
- ▲ **Effective Date of Amendment:**  
1 st December, 2019
- ▲ **Date of Notification:**  
22 nd October, 2019
- ▲ **Amendment-**  
To amend Rule 6 (Compliances required by a person eligible and willing to be appointed as an independent director) of The Companies (Appointment and Qualification of Directors) Rules, 2014.

[http://www.mca.gov.in/Ministry/pdf/CmpFifthAmndtRules\\_22102019.pdf](http://www.mca.gov.in/Ministry/pdf/CmpFifthAmndtRules_22102019.pdf)

### **The Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019**

- ▲ **Date of insertion on New Rule:**  
22nd October, 2019
- ▲ **Date of Notification:**  
22 nd October, 2019
- ▲ **Effective date of Notification:**  
1 st December, 2019
- ▲ **Highlights of The Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019:**  
There are 5 sub-rules in said rule which includes definitions, details process of creation and maintenance of data bank of Independent Directors, duties of Institute regarding creation and maintenance of data bank of Independent Directors, panel of members nominated by Central Government, etc.

[http://www.mca.gov.in/Ministry/pdf/CmpInpdtDirectorsRules\\_22102019.pdf](http://www.mca.gov.in/Ministry/pdf/CmpInpdtDirectorsRules_22102019.pdf)

### **Companies (Accounts) Amendment Rules, 2019:**

- ▲ **Original Rule:**  
The Companies (Accounts) Rules, 2014.
- ▲ **Date of Notification:**  
22 nd October, 2019
- ▲ **Effective date of Notification:**  
1 st December, 2019
- ▲ **Amendment:**  
Amendment in rule 8 of The Companies (Accounts) Rules, 2014 to include a statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year applicable to certain class of Companies.

[http://www.mca.gov.in/Ministry/pdf/CmpAccAmndtRules\\_22102019.pdf](http://www.mca.gov.in/Ministry/pdf/CmpAccAmndtRules_22102019.pdf)

### **Notification regarding jurisdiction of Registrar of Companies, Jammu in respect of Union territory of Jammu and Kashmir and Union territory of Ladakh for the purpose of registration of companies & discharging the related functions**

- ▲ **Notification:**  
In exercise of the powers conferred by sub-sections (1) and (2) of section 396 of the Companies Act, 2013 (18 of 2013), the Registrar of Companies Jammu shall have jurisdiction in respect of Union territory of Jammu and Kashmir and Union territory of Ladakh, for the purpose of registration of companies and discharging the functions under the aforesaid Act.
- ▲ **Date of Notification:**  
30 th October, 2019
- ▲ **Effective date of Notification:**  
31 st October, 2019

[http://www.mca.gov.in/Ministry/pdf/J&KNotificationSect396\\_30102019.pdf](http://www.mca.gov.in/Ministry/pdf/J&KNotificationSect396_30102019.pdf)

## Due dates for the Month of Oct, 2019\*

Regulation	Due Date	Compliance	Description
<b>Employees' Provident Funds &amp; Miscellaneous Provisions Act, 1952</b>	15-Dec-19	PF Payment	PF Payment for the month of Nov, 2019.
<b>Employees' State Insurance Act, 1948 - (ESIC)</b>	15-Dec-19	ESIC Payment	ESIC Payment for the month of Nov, 2019.
<b>Goods and Service Tax (GST)</b>	10-Dec-19	GSTR 8	Summary of Tax Collected at Source (TCS) and deposited by E-Commerce Operator for the month of November 2019
	10-Dec-19	GSTR 7	Summary of Tax Deducted at Source (TDS) and deposited for the month of November 2019
	11-Dec-19	GSTR 1	Return of outward supplies of taxable goods and/or services for the Month of November, 2019 (for Assesses having turnover exceeding 1.5 Cr.)
	13-Dec-19	GSTR 6	Return for Input Service Distributors for the month of November, 2019.
	20-Dec-19	GSTR 3B	Simple GSTR return for the Month of November, 2019.
<b>Income Tax Act, 1961</b>	7-Dec-19	TDS/TCS	Due date for deposit of Tax deducted/collected for the month of Nov, 2019.
	15-Dec-19	Advance Tax	Third instalment of advance tax for the assessment year 2020-21
	15-Dec-19	TDS/TCS	Due date for issue of TDS Certificate for tax deducted under section 194-IA / 194-IB in the month of Oct, 2019
	30-Dec-19	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA / 194-IB for the month of Nov, 2019
	30-Dec-19	Country by Country Reporting	Furnishing of report in Form No. 3CEAD for a reporting accounting year (assuming reporting accounting year is January 1, 2018 to December 31, 2018) by a constituent entity, resident in India, in respect of the international group of which it is a constituent if the parent entity is not obliged to file report u/s 286(2) or the parent entity is resident of a country with which India does not have an agreement for exchange of the report etc.

\* The above due date calender contains compliances generally applicable to taxpayers and this calender has been compiled by HSCo on basis of data available on various portals and other sources. One should always check applicable compliances based on their business needs and should also check updated due dates, if any, on the government portal before making the compliance.



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