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Demonetisation scanner: Massive fraud by jewellers during note ban detected by I-T dept

Apart from large cash deposit not commensurate with income profile, the department scrutinised cases where taxpayers reported massive increase in unsecured loans during the year or loans fully paid involving huge amounts.

Several jewellers have been put under scrutiny by the income tax department in cases of alleged large and disproportionate cash deposits during the demonetisation period (November 9-December 30, 2016). In some cases, some of these jewellers have been found to have deposited nearly 1,000 times as much cash during this period compared to the year-ago period, sources said.

Apart from large cash deposit not commensurate with income profile, the department scrutinised cases where taxpayers reported massive increase in unsecured loans during the year or loans fully paid involving huge amounts, the sources said. These jewellers under scrutiny have also not shown the cash so deposited in their return of income for the AY2017-18, which triggered the data analytics system of the department.

“A Gujarat-based jeweller was found to have deposited cash of over Rs 4 crore during demonetisation against just over Rs 40,000 a year ago,” a tax official privy to the scrutiny said.

Most of the scrutinised cases revealed a similar approach to masking black money. The jewellers, when asked to explain the discrepancy, claimed cash deposits were part of sale proceeds or loan/cash received as advance from unknown customers towards purchase in October 2016. However, they failed to furnish complete bills against such purchases.

Many of these jeweller were red-flagged by the system as their cash deposits amounted to multiple times of their declared income of a few lakhs in previous years. “One jeweller with a declared annual income of Rs. 26 lakh, claimed that he received nearly Rs.10 crore in installments days before demonetisation was announced. The advances were claimed to have been received from 573 persons. However, details such as address and contact numbers were not provided of these persons who were claimed to have provided such advances,” the official said.

[\(https://www.financialexpress.com/economy/demonetisation-scanner-massive-fraud-by-jewellers-during-note-ban-detected-by-i-t-dept/1829806/\)](https://www.financialexpress.com/economy/demonetisation-scanner-massive-fraud-by-jewellers-during-note-ban-detected-by-i-t-dept/1829806/)

Income tax e-assessment helpline phone number, email ID

To help those taxpayers who have queries regarding the faceless e-assessment scheme, the income tax department has launched a helpline facility. There is now an email address and telephone number exclusively dedicated to resolve the queries of taxpayers who have received notices from the National e-Assessment Centre (NeAC). The email ID and phone number are as follows:

- ▲ delhi.ito.hq.pccit.neac@incometax.gov.in
- ▲ 18001801961(e-filing; general queries)

The communication issued by the income tax department states that if the taxpayer sends an email query, then it should contain the following:

- ▲ PAN
- ▲ Soft copy of the notice
- ▲ Details of the help required

The order further mentions that the queries should only be sent to the above-mentioned email ID or asked on the above mentioned phone number will be entertained.

[\(https://economictimes.indiatimes.com\)](https://economictimes.indiatimes.com)

'Nothing adverse' in overseas remittance data, says CBDT

High net-worth individuals transferring funds abroad under the Liberalised Remittance Scheme (LRS) can breathe easy. The Central Board of Direct Taxes (CBDT), which examined LRS data from several banks in Mumbai and Delhi, has found “nothing adverse” in the cases it scrutinised, according to an internal report that ET has seen.

“The Directorate of Intelligence & Criminal Investigation (I&CI) of the income tax department during August and September 2019 obtained LRS data from several banks in Mumbai and Delhi and verification of the top 100 cases was undertaken. However, nothing adverse was found,” said the report, which was submitted to the special investigation team (SIT) probing black money earlier this year.

The LRS is extensively used by HNIs to transfer funds abroad up to the permitted limit of \$250,000 in a financial year.

(<https://economictimes.indiatimes.com>)

GSTR-3B – Due Dates for upcoming months

In a move aimed at de-stressing the GST system, the finance ministry has staggered last dates of filing GSTR-3B (a monthly summary return form) and has provided three dates for different categories of taxpayers. The following due dates for filing GSTR-3B, are notified for the upcoming months:

Category of Taxpayer		Return for the month	Due Dates
Annual Turnover	Principal place of business (States/UT)		
Annual Turnover more than Rs.5cr in previous FY	All States & UTs	Jan 2020 Feb 2020 Mar 2020	20-Feb-2020 20-Mar-2020 20-Apr-2020
Annual Turnover up to Rs.5 cr in the previous FY	Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep	Jan 2020 Feb 2020 Mar 2020	22-Feb-2020 22-Mar-2020 22-Apr-2020
Annual Turnover up to Rs.5 cr in the previous FY	Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi	Jan 2020 Feb 2020 Mar 2020	24-Feb-2020 24-Mar-2020 24-Apr-2020

[Notification No. 07/2020 – Central Tax dated February 3, 2020]

Budget 2020 - Important amendments:

Effective from date to be notified

▲ Composition Levy:

- Presently, a registered person who opts for composition scheme can provide service (Within or Outside state) not exceeding 10% of Turnover in state or Rs.5 Lakhs whichever is higher
- It is proposed to insert word “Services” in condition 10(b), 10(c) & 10(d), thereby, registered person will not be eligible to opt for the composition scheme if he is;
 - Engaged in making supply of services which are not leviable to Tax under this Act
 - Engaged in making Inter-state outward supply of service.
 - Engaged in supply of services through E-commerce operator who is required to collect tax at source u/s 52.

▲ Input Tax Credit:

- Section 16(4) restricts the registered person to avail ITC for invoice / Debit note for goods or service beyond due date of furnishing return u/s 39 for month of September following the end of financial year to which such invoice or invoice relating to debit note relates or date of furnishing annual return whichever is earlier
- The Word & Invoice relating to such debit note” is omitted; thereby registered person can avail ITC for said debit note till due of filing return for September following financial year to which debit note pertains or date of filing annual return for financial year whichever is earlier.

▲ Penalty for Certain Offences:

- Currently penalty of higher of Rs.10,000/- or amount equivalent to Tax sought to be evaded, is prescribed u/s 122(1) in case taxable person:
 - Sub clause I** - Supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regards to any such supply
 - Sub clause II** - Issues any invoice or bill without supply of goods or services or both in violation of provision of this Act or Rules made thereunder
 - Sub clause VII** - Takes or utilizes ITC without actual receipt of goods or service or both either fully or partially in contravention of provision of this Act or rules made thereunder
 - Sub clause VIII** - Fraudulently obtains refund of tax under this Act
- Sub section 1A is sought to be inserted in section 122 whereby penalty is proposed to be imposed equivalent to amount of Tax evaded or ITC availed/passed on in above 4 instances on person who retains the benefit (Beneficiary) or at whose instance transaction is conducted.
- Section 132 of CGST Act is being amended to make the offence of fraudulent availment of ITC without an Invoice or bill, a cognizable & Non-bailable offence.
- It is also proposed to extend above referred Punishment to person who causes to commit offence or retain benefit arising out of said offences.

***Operating profit/
value added expense
accepted by the
tribunal as the profit
level indicator
for a freight forwarder***

Based on the facts and in the circumstances of the case, recently the Mumbai bench of the Income-tax Appellate Tribunal (Tribunal) in the case of DHL Logistics P. Ltd. (the taxpayer), accepted operating profit (OP)/ value added expenses (VAE) [OP/VAE = Berry Ratio – 1] as the profit level indicator (PLI) by considering the amounts paid by a freight forwarder to third-party service providers (airliners/ ship liners/ transporters) as pass through, for benchmarking its international transactions pertaining to its freight forwarding segment.

The Tribunal disregarded the arguments of the revenue authorities that the element of freight could be considered as pass through only if no profit element or markup is earned on the same. It upheld the taxpayer's contention of characterizing a particular item as pass through, an analysis of the functions, assets and risks (FAR) of the taxpayer qua such activity is necessary.

(DHL Logistics P. Ltd. v. DCIT Circle 9(3)(1) (ITA No. 1030/Mum/2015 AY2010-11))

General Circular ►
regarding relaxation of additional fees and extension of the last date of filing of Form BEN-2 (Return to the Registrar in respect of declaration under section 90) and BEN-1 (Declaration by the Beneficial Owner who holds or acquires Significant Beneficial Ownership in Shares) under the Companies Act, 2013

The Ministry of Corporate Affairs vide its Circular No.1 dated 1 st January, 2020 informed that, in continuation with earlier General Circular No.10 dated 24.09.2019 (Relaxation of additional fees and extension of last date of filing of Form BEN-2 and BEN-1 under the Companies Act, 2013) the time limit for filing of the Form BEN-2 is extended upto 31.03.2020 without levy of additional fees and thereafter fee and additional fees shall be payable.

http://www.mca.gov.in/Ministry/pdf/Circular1_01012020.pdf

http://www.mca.gov.in/Ministry/pdf/GeneralCircular_24092019.pdf

The Companies ►
(Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2020

▲ **Original Rules-**

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

▲ **Date of Notification:**

3rd January, 2020

▲ **Effective Date of Amendment:**

1st April, 2020

▲ **Amendment:**

To amend Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to substitute Rule 8A and to insert Rule 9(1)(C) as follows:

- 1) Rule 8A (Appointment of Company Secretaries in Companies Not Covered Under Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014):** Every Private company which has a paid up share capital of ten crore rupees or more shall have a Whole -time Company Secretary; and
- 2) Rule 9(1)(C)[(Secretarial Audit Report)]:** Every company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more.

http://www.mca.gov.in/Ministry/pdf/AmdtRules_06012020.pdf

The Companies ►
(Winding Up) Rules, 2020:

▲ **Date of Notification:**

24th January 2020

▲ **Effective Date of Rule:**

1 st April, 2020

▲ **Synopsis of the Companies (Winding Up) Rules, 2020:**

The companies (Winding Up) Rules, 2020 contains 191 sub-rules and 6 schedules and various lists and Forms regarding Winding Up of the Company. It has been divided into 6 parts i.e. part I to Part VI as follows:

- Part I: General
- Part II: Winding up by Tribunal
- Part III: Winding Up Tribunal (Other than summary winding up), Debts and Claims against Company
- Part IV: Cost of Winding up Process
- Part V: Summary Procedure and Liquidation
- Part VI: Miscellaneous

http://www.mca.gov.in/Ministry/pdf/Rules_28012020.pdf

General Circular ►
**regarding relaxation of
additional fees and
extension of the last
date of filing of Form
AOC-4 NBFC (Ind AS)
and Form AOC-4 CFS
NBFC (Ind AS) for
the Financial Year
2018-2019 under the
Companies Act, 2013**

The Ministry of Corporate Affairs vide its Circular No.2 dated 30 th January, 2020 informed that, the two new eforms namely **Form AOC-4 NBFC (Ind AS) and Form AOC-4 CFS NBFC (Ind AS)** will be deployed on 31 st January, 2020 and 17 th February, 2020 respectively.

The Ministry of Corporate Affairs further informed that, the last date for filing of the **Form AOC-4 NBFC (Ind AS) and Form AOC-4 CFS NBFC (Ind AS)** for all eligible Companies has been decided on or before 31.03.2020 without levy of additional fees.

Note: Abovementioned forms are yet to be deployed on MCA Website.

http://www.mca.gov.in/Ministry/pdf/Circular_30012020.pdf

General Circular ►
**regarding relaxation of
additional fees and
extension of the last
date of filing of Form
MG-7 (Annual Return)
and Form AOC-4
(Financial Statement)
for the Financial Year
2018-2019 under the
Companies Act, 2013-
UT of J&K and UT
of Ladakh**

The Ministry of Corporate Affairs vide its Circular No.3 dated 31 st January, 2020 informed that, in continuation with earlier General Circular No.15 dated 28.11.2019 (Relaxation of additional fees and extension of last date in filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act, 2013- UT of J&K and UT of Ladakh), the time limit for filing of the e-forms AOC-4, AOC-4 (CFS) AOC4 XBRL and e-form MGT-7 is further extended upto 31.03.2020 for companies having jurisdiction in the UT of J&K and UT of Ladakh without levy of additional fee.

http://www.mca.gov.in/Ministry/pdf/Circular_31012020.pdf

http://www.mca.gov.in/Ministry/pdf/MGTAnnualReturnAOC4FinancialStatement_28112019.pdf

The Companies ►
**(Accounts)
Amendment Rules,
2020**

▲ **Original Rule:**

The Companies (Accounts) Rules, 2014

▲ **Effective date of Amendment:**

30 th January, 2020

▲ **Amendment:**

Amendment made to insert new sub-rule 1A after sub-rule 1 of Rule 12 (Filing of Financial Statements and Fees to be Paid Thereon) of the Companies (Accounts) Rules, 2014 as follows:

- Every Non-Banking Financial Company (NBFC) that is required to comply with Indian Accounting Standards (Ind AS) shall file the financial statements with Registrar of Companies together with Form AOC-4 NBFC (Ind AS) and the consolidated financial statement, if any, with Form AOC-4 CFS NBFC (Ind AS)

http://www.mca.gov.in/Ministry/pdf/Rules_31012020.pdf

Notification under ►
**Section 67 of Limited
Liability Partnership
(LLP) Act, 2008:**

▲ **Date of Notification:**

30 th January, 2020

▲ **Effective date of Notification:**

30 th January, 2020

▲ **Effects of Notification:**

As per new amendment notification under Section 67 (Power of Central Govt. to approve/disapprove or direct applicability of any provision/s of the Companies Act to LLPs) of the Limited Liability Partnership Act, 2008, all provisions of Section 460 of the Companies Act, 2013 (Condonation of Delay in certain cases) shall also be applicable to Limited Liability Partnerships (LLPs).

http://www.mca.gov.in/Ministry/pdf/NotificationLLP_31012020.pdf

Due dates for the Month of March, 2020*

Regulation	Due Date	Compliance	Description
Employees' State Insurance Act, 1948 - (ESIC)	15-Mar-20	ESIC Payment	ESIC Payment for the month of Feb, 2020.
Goods and Service Tax (GST)	10-Mar-20	GSTR 7	Summary of Tax Deducted at Source (TDS) and deposited for the month of Feb, 2020
	10-Mar-20	GSTR 8	Summary of Tax Collected at Source (TCS) and deposited by E-Commerce Operator for the month of Feb, 2020
	11-Mar-20	GSTR 1 (Monthly)	Return of outward supplies of taxable goods and/or services for the Month of Feb, 2020 (for Assesseees having turnover exceeding 1.5 Cr.)
	13-Mar-20	GSTR 6	Return for Input Service Distributors for the month of Feb, 2020
	20-Mar-20	GSTR 3B	Summary Return for the month of Feb, 2020 (Annual Turnover more than Rs.5cr in previous FY, All States & UTs)
	22-Mar-20	GSTR 3B	Summary Return for the month of Feb, 2020 . Annual Turnover up to Rs.5 cr in the previous FY (Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep)
	24-Mar-20	GSTR 3B	Summary Return for the month of Feb, 2020 . Annual Turnover up to Rs.5 cr in the previous FY (Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi)
Income Tax Act, 1961	7-Mar-20	TDS/TCS	Due date for deposit of Tax deducted/collected for the month of Feb, 2020.
	14-Mar-20	TDS/TCS	Due date for issue of TDS Certificate for tax deducted under section 194-IA / 194-IB in the month of Feb, 2019
	15-Mar-20	Advance Tax	Fourth instalment of advance tax for the assessment year 2020-21
	15-Mar-20	Advance Tax	Due date for payment of whole amount of advance tax in respect of assessment year 2020-21 for assessee covered under presumptive scheme of section 44AD/ 44ADA
	30-Mar-20	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA/194-IB in the month of February, 2020
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	15-Mar-20	PF Payment	PF Payment for the month of Feb, 2020.
Maharashtra Profession Tax Act	31-Mar-20	PT	Annual payment and filing of return of Profession Tax for Employees
	31-Mar-20	PT	Monthly Return (covering salary paid for the preceding month) (Tax Rs. 50,000 or more)

* 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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