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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



**New Penal Provisions -
Section 271AAD**

Finance Bill 2020 has inserted new penalty section 271AAD in Income Tax Act. The amendment will take effect from 1st April, 2020. It deals with penalizing for false entries in books of accounts, done to reduce issuance of fake invoice massively under both Income Tax and GST. It covers:

- Forged or false document such as a fake invoice.
- Any invoice of supply or receipts of goods or services issued by any person without actual supply or receipt of goods or services.
- An invoice in respect of supply or receipt of goods or services or both to or from a person who does not exist.

The penalty of an amount equal to sum of such false or omitted entries may be levied. False entry is a wide term, which includes sales, purchase, expenses, loans, and others whether shown in books or not.

**88,000 appeals
pending before Income
Tax Appellate Tribunal:
Chairman CBDT**

There are 88,000 appeals pending before the Income Tax Appellate Tribunal (ITAT) and effort are being made for their speedy disposal. Of the total appeals, 24,000 are pending before the Delhi bench followed by Mumbai bench (15000-16000), ITAT Chairman Justice PP Bhatt told reporters.

As part of the endeavor to dispose the pending appeals expeditiously, 41 vacancies in the tribunal will be filled in the coming days, Bhatt said. It is likely to take one-and-a-half month to fill the vacant positions, he added.

A new circuit bench will be inaugurated in Dehradun by Union Law and Justice Minister Ravi Shankar Prasad on Thursday. After that, 800 income tax related appeals from Uttarakhand pending before the tribunal's Delhi bench will be transferred to the circuit bench of Dehradun.

<https://www.business-standard.com>

**Clarifications on
provisions of the Direct
Tax Vivad se Vishwas
Bill, 2020**

During the Union Budget 2020 presentation, the 'Vivad se Vishwas' Scheme was announced to provide for dispute resolution in respect of pending income tax litigation. Pursuant to Budget announcement, the Direct Tax Vivad se Vishwas Bill, 2020 (Vivad se Vishwas) was introduced in the Lok Sabha on 5th Feb, 2020. The objective of Vivad se Vishwas is to inter alia reduce pending income tax litigation, generate timely revenue for the Government and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process. Subsequently, based on the representations received from the stakeholders regarding its various provisions, official amendments to Vivad se Vishwas have been proposed. These amendments seek to widen the scope of Vivad se Vishwas and reduce the compliance burden on taxpayers.

After introduction of Vivad se Vishwas in Lok Sabha, several queries have been received from the stakeholders seeking clarifications in respect of various provisions contained therein. Government has considered these queries and decided to clarify the same in form of answers to frequently asked questions (FAQs). These clarifications are, however, subject to approval and passing of Vivad se Vishwas by the Parliament and receiving assent of the Hon'ble President of India. FAQ's are available on the below link:

https://www.incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDF_News/circular_no_7_2020.pdf

Proposed New GST Returns

As per the decision taken at the 37 th GST Council Meeting held on September 20 th 2019, the new GST return system for all taxpayers and for all forms will be implemented from April 2020. The new GST return framework aims to simplify the return filing complexities by introducing the different types of returns for different business.

Under the new GST return model, set of new return forms are designed for small taxpayers and they are free to choose a GST return form which suits the most. In order to ensure the businesses get ample time to experience and understand the new return system, it is planned in a phased manner.

Brief Introduction of GST Return Forms

All the current GST returns which are in place i.e. GSTR 1, GSTR 2A and GSTR 3B will no longer be in existence. In place of these, a taxable business person will need to file one or few of the following returns/annexures/declarations:

GST RET-1 (Normal) or GST RET-2 (Sahaj) or GST RET-3 (Sugam) and two Annexures (to be filed along with the main returns) namely GST Anx-1 & GST Anx-2, details as under:

Particulars	GST RET-1 (Normal)	GST RET-2 (Sahaj)	GST RET-3 (Sugam)
Applicability Threshold Limit (Aggregate Turnover)	Up to Rs. 5 Crore (Optional) Above Rs. 5 Crore (Mandatory)	Up to Rs. 5 Crore For taxpayers making only B2C outward supplies	Up to Rs. 5 Crore For taxpayers making both B2C and B2B outward supplies
Periodicity of Returns	Monthly (Above Rs. 5 Crore) Monthly / Quarterly (to be chosen for turnover up to 5 Crore)	Quarterly	Quarterly
Periodicity of Payment (PMT-08)	Monthly	Monthly	Monthly
Type of Supply	All	1. B2C 2. Domestic inward RCM Supplies 3. Nil Rated, Exempted, Non-GST	1. B2B 2. B2C 3. Domestic inward RCM Supplies 4. Nil Rated, Exempted, Non-GST
ITC Availability	Only Auto- Populated	Only Auto- Populated	All (subject to conditions)

Things to Remember about New and Simplified GST Returns

- Introduction of different types of returns based on turnover and type of supplies made
- Single GST Return with the concept of Annexures
- Profile based returns format based on nature of supplies
- 24/7 upload of invoices into GST Portal
- Real-time viewing facility of invoices uploaded by the suppliers
- Amendment Returns concept introduced
- ITC allowed only on the invoice uploaded by the supplier for Sahaj and Sugam returns
- No automatic reversal of ITC on missing Invoice – ratification period of 2 months available
- Filing of Nil Returns through SMS
- Return Filing Status of the supplier can be viewed by the recipient in the portal

***FTS can be taxed on
Gross basis in case of a
Swiss Company despite
having a Service PE in
India.***

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 AGT International GmbH (the taxpayer) dealt with the matter of taxability of Fees for Technical Services (FTS) at a beneficial rate under Article 12(2) v. taxability under Service Permanent Establishment (PE) article as business income on net basis under the India Switzerland Treaty (tax treaty).

The taxpayer replied on the Protocol of the tax treaty and contended that since it had a Service PE, the taxpayer had a choice to be taxed on gross basis or on net basis. The Tribunal relied on the phrase 'at the request of the enterprise' provided in the Protocol of the Tax Treaty and granted the beneficial treatment to offer its FTS income on gross basis at the rates provided in Article 12(2) of the treaty.

(AGT International GmbH v. DCIT (ITA No. 7465/Mum/18) - Taxsutra)

Nidhi (Amendment) Rules, 2020

The MCA has amended the Nidhi Rules, 2014 dated 1 st April, 2014. W.e.f 10 th February, 2020 to amend Nidhi Rules, 2014 to revise Form NDH-1 (Return of Statutory Compliances), NDH-2 (Application for extension of time) and NDH-3 (Return of Nidhi Company for the half year ended). Also on 14 th Feb, 2020 w.e.f 15 th February, 2020 MCA has amended Nidhi Rules, 2014 to substitute Rule 23 A Compliance with rule 3A by certain Nidhis.

http://www.mca.gov.in/Ministry/pdf/Rules2_04022020.pdf

http://www.mca.gov.in/Ministry/pdf/rule_14022020.pdf

Notification regarding Commencement of Sub-Sections 11 and 12 of Section 230 of the Companies Act, 2013

Ministry of Corporate Affairs vide notification dated 3rd February, 2020 informs that, provisions of sub-section 11 and 12 of Section 230 (Power to Compromise or Make Arrangements with Creditors and Members) of the Companies Act, 2013 has been effective from 3 rd February, 2020.

http://www.mca.gov.in/Ministry/pdf/Notification_04022020.pdf

General Circular regarding filing of Forms by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016)

The Ministry has vide its circular No.4 dated 17.02.2020 provided the process which shall be followed by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016) in respect of filing of various Forms as per requirements for statutory Compliances by Companies under the Companies Act, 2013.

http://www.mca.gov.in/Ministry/pdf/Circular_17022020.pdf

The Companies (Registration Offices and Fees) Amendment Rules, 2020

MCA has revised The Companies (Registration Offices and Fees) Rules, 2014 dated 1st April, 2014. On 18th February, 2020 w.e.f 19th February, 2020 to amend The Companies (Registration Offices and Fees) Rules, 2014 to revise Form GNL-2 [Form for submission of documents with the Registrar] under rule 12(2) the Companies (Registration Offices and Fees) Rules, 2014 (Fees)].

http://www.mca.gov.in/Ministry/pdf/rule_19022020.pdf

The Companies (Incorporation) Amendment Rules, 2020

MCA has amended The Companies (Incorporation) Rules, 2014 on 18 th February, 2020 w.e.f 23rd February, 2020 to amend The Companies (Incorporation) Rules, 2014 to substitute Rule 9, 10,12,19,38 and 38A for the purpose of introducing New Form SPICe+ which replaced earlier Form SPICe [Form INC-32 and Form INC-35 i.e. AGILE] and includes Reservation of Unique Name for the Company (RUN) in Part A and other details of incorporation in Part B and Form 35-AGILE – PRO (Application for Goods and services tax Identification number, Employees State Insurance Corporation registration plus Employees provident fund organization registration, Profession tax Registration and Opening of bank account), Form e-MOA and e-AOA as linked Forms. Further, earlier RUN Form is now available only for the change of name of the Company.

http://www.mca.gov.in/Ministry/pdf/rule_22022020.pdf

**The Companies
(Auditor's Report)
Order, 2020**

On 25th February, 2020 MCA has issued an order (not yet notified) to amend the CARO 2016 with new CARO 2020. The new CARO has 21 clauses against 16 clauses in previous CARO. The Companies (Auditor's Report) Order, 2020 has been divided in 4 points as follows:

- 1) Short title, application and commencement;
- 2) Applicability of Matters to be contained in Auditor's report;
- 3) Matters to be included in Auditor's Report; and
- 4) Reasons to be stated for unfavourable or qualified answers.

The new CARO report can be referred at

http://www.mca.gov.in/Ministry/pdf/Orders_25022020.pdf

**The Companies
(Appointment and
Qualification of
Directors) Amendment
Rules, 2020****▲ Original Rule:**

The Companies (Appointment and Qualification of Directors) Rules, 2014.

▲ Date of Notification:

28th February, 2020 (not yet notified)

▲ Amendment:

To amend The Companies (Appointment and Qualification of Directors) Rules, 2014 to substitute existing Rule 6 (Creation and Maintenance of Databank of persons offering to become Independent Directors)

http://www.mca.gov.in/Ministry/pdf/rule_28022020.pdf

Due dates for the Month of April, 2020*

Regulation	Due Date	Compliance	Description
Employees' State Insurance Act, 1948 - (ESIC)	15-Apr-20	ESIC Payment	ESIC Payment for the month of Mar, 2020.
Goods and Service Tax (GST)	1-Apr-20	LUT	Renewal of Letter of Undertaking (LUT) for FY 2020-21
	10-Apr-20	GSTR 7	Summary of Tax Deducted at Source (TDS) and deposited for the month of Mar, 2020
	10-Apr-20	GSTR 8	Summary of Tax Collected at Source (TCS) and deposited by E-Commerce Operator for the month of Mar, 2020
	11-Apr-20	GSTR 1 (Monthly)	Return of outward supplies of taxable goods and/or services for the Month of Mar, 2020 (for Assesseees having turnover exceeding 1.5 Cr.)
	13-Apr-20	GSTR 6	Return for Input Service Distributors for the month of Mar, 2020
	18-Apr-20	GSTR 4	Simple GST return for the month ended Mar, 2020 for Composition Taxpayers
	20-04-2020 or 22-04-2020 or 24-04-2020	GSTR 3B	Summary Return for the month of Mar, 2020
	30-Apr-20	GSTR -1 (Quarterly)	Return of outward supplies of taxable goods and/or services for the Month of March, 2020 (for Assesseees having turnover less than 1.5 Cr.)
Income Tax Act, 1961	14-Apr-20	TDS/TCS	Due date for issue of TDS Certificate for tax deducted under section 194-IA / 194-IB / 194M in the month of Feb, 2020
	30-Apr-20	TDS/TCS	Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March, 2020.
	30-Apr-20	TDS/TCS	Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2019 to March 31, 2020.
	30-Apr-20	TDS/TCS	Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2020
	30-Apr-20	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA/194-IB/194M in the month of March, 2020
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	15-Apr-20	PF Payment	PF Payment for the month of Mar, 2019.
Maharashtra Profession Tax Act	30-Apr-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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