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**Taxpayer Charter: A
roadmap for mutual
trust and respect**

Last week, the PM unveiled the Taxpayers Charter, a two-way document containing 14-point obligations of the revenue and 6-point duties of the taxpayer. While the analysis of each is yet to be translated into actionable goals, the announcement is an outcome of the amendment in the Finance Act of 2020. The building blocks for a statutory adoption of the taxpayer charter is predicated on nation-building through progressive tax policy and honoring the honest taxpayers.

The institutional framework for the protection of taxpayer rights can be traced to the 1998 Citizen's Charter, a first step towards the implementation of Sevottam (Service excellence—a combination of two Hindi words: seva and uttam). With continuous improvements, the charter was revised multiple times. The Kelkar Task Force in 2002 suggested methods to instill accountability in the functioning of the tax department, via an ombudsman reporting to Parliament. However, the Ombudsman framework introduced by way of administrative guidance with no statutory basis proved to be an ineffective body.

(<https://www.financialexpress.com>)

**Income Tax
Department to
intimate taxpayers
under scrutiny about
faceless assessment**

The income tax department will soon start sending out intimation to assessee undergoing scrutiny that such cases would now be handled under faceless assessment, a tax official said on Friday.

CBDT Additional Commissioner Jaishree Sharma also said that domestic transfer pricing cases too will be covered under the faceless assessment mechanism.

Asked whether the previous notices still stand valid, Sharma said, "Previous notices will not become redundant. First, an intimation would be sent out that your case would now be assessed under faceless assessment scheme and if the Assessing Officer of the Assessment Unit feels that he needs some more information, he will send fresh (notice) under 142(1)."

A Section 142(1) notice is sent to an assessee to inquire about details and documents before making assessment under the Income Tax Act.

Speaking at a webinar organised by industry body PHDCCI, Sharma said reassessment cases would also be part of the faceless scheme.

"So all the 148 cases that were going on, they have been transferred to the faceless assessment scheme and NeAC will be sending out intimation in all such cases which would now be assessed under the faceless assessment scheme. So by September 15 or before that, you can expect an intimation from NeAC," Sharma said.

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

***Decoding equalisation
levy for e-commerce
sector: E-retailers may
pass cost burden to
sellers, consumers***

Equalisation Levy (EL) was introduced in India in 2016. However, it became more intensive in scope and reach, and was slipped surreptitiously into the Finance Act, 2020 just before passage of the Budget, without any debate and discussions. The new EL was to come into effect from April 1, 2020, giving foreign companies operating in the digital space less than 10 days' notice. The scope and reach of the revised EL came as a bolt from the blue for all stakeholders, as the broadest digital tax currently levied or proposed across the globe. In its present form, the EL proposes to levy 2 per cent tax on all non-residents engaged or facilitating the online sale of goods or services subject to certain conditions, in addition to the existing levy of 6 per cent on online advertisements. The EL is required to be paid directly by the non-resident, implying that no grossing up is possible.

(<https://www.financialexpress.com>)

**Aadhaar
Authentication for GST
registration**

The Central Board of Indirect Tax and Customs (CBIC) had issued a notification on March 23, 2020, about Aadhaar authentication for GST registration from April 1st 2020. The same has been amended to be made optional. The Aadhaar authentication for GST registration is not required for non-residents, persons other than citizens of India and persons who have already been registered under GST.

As per the notification, every applicant for GST registration can opt for the Aadhaar authentication, the revised rules are applicable for applications made on or after 21st August 2020. Further, from April 1st 2020 upto 20th August 2020, all the applicants submitting registration application under GST had to mandatorily undergo Aadhaar authentication for obtaining registration.

The applicants who opt for it must submit an Aadhaar Card along with the application for registration under GST. After this, they need to e-verify the same on the GST portal. An OTP will be sent on the mobile number and email ID linked to the Aadhaar card. Only upon entering this OTP, the Aadhaar will get e-validated.

If a person fails to do an Aadhaar authentication when opted or has not opted for it, the registration will be granted after a physical verification is done of the principal place of business. The officers can instead verify the documents on obtaining permission from the officer not below the rank of Joint Commissioner and in writing.

In such cases, a notice in form GST REG-3 within 20 working days from the date of submitting the application need to be given. The date of submission of application is earlier of the below two:

- Date of Aadhaar authentication
- Date after counting 15 days from the submission of Part B of form GST REG-01, being the registration application.

The assessee must reply within 7 working days from the date of receipt of notice in form GST REG-4.

As per Section 25(6C) of the CGST Act, the Aadhaar authentication is mandatory for the following class of individuals as per Rule 8 of the CGST Act in order to become eligible for the GST registration:

1. Authorised signatory of all types
2. Managing/authorised partners of a partnership firm
3. Karta of a Hindu Undivided Family

[Notification No.62/2020 – Central Tax dated August 20, 2020]

**Extension of due date
for filing Form GSTR-4
for FY 2019-20**

The due date for filing Form GSTR-4 – Return for Composition Dealers, for FY 2019-20 has been extended from August 31, 2020 to October 31, 2020

[Notification No.64/2020 – Central Tax dated August 31, 2020]

Launch of Form GSTR-2B

On August 29, 2020, the Government has issued Press Release and introduced Form GSTR-2B which indicates ITC available to taxpayer for relevant tax period. GSTR-2B is an auto-drafted Input Tax Credit (ITC) statement generated for every recipient, on the basis of the information furnished by their suppliers, in their respective Form GSTR-1 (Outward Supply details) & 5 (Non Resident Taxable Person return) and Form GSTR-6 (filed by Input Service Distributor). It is a static statement and will be made available for each month, on 12th day of the succeeding month.

Key features in GSTR-2B which would assist taxpayers in return filing are as under:

- It contains information on import of goods from the ICEGATE system including inward supplies of goods received from Special Economic Zones Units / Developers.
- A summary statement which shows all the ITC available and non-available under each section. The advisory given against each section clarifies the action to be taken by the taxpayers in their respective section of GSTR-3B;
- Document level details of all invoices, credit notes, debit notes etc. is also provided both for viewing and download

Steps to download:

Taxpayers can access their GSTR-2B through:

- Login to GST Portal
- Go to Returns Dashboard
- Select Return period
- Click on Form GSTR-2B

[Press Release dated August 29, 2020]

Reimbursement of salary cost of seconded employees to a foreign company is not taxable as Fees for Technical Services in India

Based on the facts and in the circumstances of the case, recently the Delhi Bench of the Income-tax Appellate Tribunal in the case of BOEING India Pvt. Ltd. held that the reimbursement made by an Indian company, for salary and other costs of the seconded employees working in India, to foreign entities does not constitute Fees for Technical Services/Fees for Included Services under the relevant tax treaties.

The issue of taxability of payment of reimbursement of salary cost of seconded employees has always been a matter of debate before the Courts and Tribunal. Whilst some of the Courts / Tribunals have held that a payment made to foreign company for services of deputed employees is taxable as Fees for technical services and it is irrelevant whether any profit element is included in the income or not.

The Delhi tribunal in the present case has held that the reimbursement made by the tax payer, an Indian company, for Salary and related cost of seconded employees working in India, to foreign entities does not constitute Fees for technical services or Fees for included services under the tax treaty. It was observed that the seconded employees were not engaged in the business of the foreign company but were effectively working under the control and supervision of the Indian Company. Hence, the taxpayer was not required to deduct tax at source under Section 195 of the Income-tax Act, 1961.

(BOEING India Pvt. Ltd. V. ACIT (ITA No. 9765/Del/2019) – Taxsutra.com)

**General Circular
regarding Clarification
on dispatch of notice**

Earlier the relaxation was given to Listed Companies from dispatching of notice to their shareholders through registered post or speed post or courier for rights issues opening upto 31st July, 2020.

Vide Circular No. 27 dated 3rd August, 2020, now the said relaxation has been extended upto 31st December, 2020.

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.25_03082020.pdf

http://www.mca.gov.in/Ministry/pdf/Circular21_11052020.pdf

**General Circular
regarding Clarification
on Extension of Annual
General Meeting
(AGM) for the Financial
Year ended on 31st
March, 2020**

The Ministry of Corporate Affairs vide its General Circular No. 28 dated 17th August, 2020 advised to the Companies which are unable to hold their Annual General Meeting (AGM) for the Financial Year ended on 31st March, 2020 despite availing the relaxation provided through the General Circular No. 20 dated 5th May, 2020 [Clarification on holding of Annual General Meeting (AGM) through video Conferencing (VC) or Other Audio Visual Means (OAVM)] to file their applications in Form No. GNL – 1 for seeking extension of time in holding of AGM for the Financial Year ended on 31st March, 2020 with the Concerned Registrar of Companies on or before 29.09.2020.

Further, the Ministry of Corporate Affairs has now issued new orders on 10.09.2020 for extension of AGM for 3 months from the due date of AGM (other than First AGM) without filing of Form GNL – 1. Various notifications has been issued at individual ROC levels in this respect.

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.28_17082020.pdf

http://www.mca.gov.in/Ministry/pdf/Circular20_05052020.pdf

**Notification regarding
amendment in
Schedule VII (Activities
which may be included
by companies in their
Corporate Social
Responsibility Policies
Activities) of the
Companies Act, 2013**

- **Date of Notification:** 24th August, 2020
- **Effective date of Amendment:** 24th August, 2020
- **Amendment:** To amend item No. (ix) [Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.] of Schedule VII (Activities which may be included by companies in their Corporate Social Responsibility Policies Activities) of the Companies Act, 2013 to substitute following activities :

“(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)”.

http://www.mca.gov.in/Ministry/pdf/NotificationCompAct_26082020.pdf

***The Companies
(Corporate Social
Responsibility Policy)
Amendment Rules,
2020***

Original Rule: The Companies (Corporate Social Responsibility Policy) Rules, 2014.

Date of Notification: 24th August, 2020

Effective date of Amendment: 24th August, 2020

Amendment: To amend The Companies (Corporate Social Responsibility Policy) Rules, 2014 :

a) To insert the following proviso in Rule 2(1)(e):

“Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22 and 2022-23 subject to the conditions that-

(i) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act.

(ii) details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board's Report”.

b) To delete the words “excluding activities undertaken in pursuance of its normal course of business” from Rule 4(1); and

c) To delete first Proviso and to delete the word “further” from Second Proviso of Rule 6(1).

http://www.mca.gov.in/Ministry/pdf/csr_26082020.pdf

***Notification regarding
commencement of
Section 23(ii) of the
Companies
(Amendment) Act,
2017 [Annual Return]***

The Ministry of Corporate Affairs vide its notification dated 28th August, 2020 stated that, the following provisions of Section 23(ii) shall come into force w.e.f. 28th August, 2020:

“(3) Every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report.”

http://www.mca.gov.in/Ministry/pdf/NotificationCompAct_29082020.pdf

***The Companies
(Management and
Administration)
Amendment Rules,
2020***

Original Rule: The Companies (Management and Administration) Rules, 2014.

Date of Notification: 28th August, 2020

Effective date of Amendment: 28th August, 2020

Amendment: To amend The Companies (Management and Administration) Rules, 2014 to insert following proviso in Rule 12(1)[Extract of Annual Return] :

"Provided that a company shall not be required to attach the extract of the annual return with the Board's report in Form No. MGT.9, in case the web link of such annual return has been disclosed in the Board's report in accordance with sub-section (3) of section 92 of the Companies Act, 2013 [Every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report]."

http://www.mca.gov.in/Ministry/pdf/Rule_29082020.pdf

Due dates for the Month of October, 2020*

Regulation	Due Date	Compliance	Description
Employees' State Insurance Act, 1948- (ESIC)	15-Oct-20	ESIC Payment	ESIC Payment for the month of September, 2020.
The Companies Act, 2013 §	30-Oct-20	Form MSME I	Furnishing of half-yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprise for the period from April, 2020 to September, 2020.
	On or Before 29th Oct, 2020	Form AOC – 4	Form for filing financial statement and other documents with the Registrar.
	On or Before 29th Oct, 2020	Form AOC – 4 NBFC (Ind AS)	Form for filing financial statement and other documents with the Registrar for NBFCs
	On or Before 29th Oct, 2020	Form AOC – 4 CFS	Form for filing consolidated financial statements and other documents with the Registrar.
	On or Before 29th Oct, 2020	Form AOC – 4 CFS NBFC (Ind AS)	Form for filing consolidated financial statements and other documents with the Registrar for NBFCs
	On or Before 29th Oct, 2020	Form AOC – 4 XRRL	Form for filing XBRL document in respect of financial statement and other documents with the Registrar.
	30-Oct-20	Form MSME I	Furnishing of half-yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprise for the period from April, 2020 to September, 2020.
Goods and Service Tax (GST)	10-Oct-20	GSTR 7	Summary of Tax Collected at Source (TCS) and deposited by E-Commerce Operator for the month of September 2020
	10-Oct-20	GSTR 8	Summary of Tax Deducted at Source (TDS) and deposited for the month of September 2020
	11-Oct-20	GSTR 1 (Monthly)	Return of outward supplies of taxable goods and/or services for the Month of September 2020 (for Assesses having turnover exceeding 1.5 Cr.)
	13-Oct-20	GSTR 6	Return for Input Service Distributors for the month of September 2020.
	20-Oct-2020 or 22-Oct-2020 or 24-Oct-2020	GSTR 3B	Simple GSTR return for the Month of September 2020 (based on category of taxpayer)
	31-Oct-20	GSTR-1	Quarterly return of outward supplies of taxable goods and/or services for registered persons with aggregate turnover up to Rs. 1.50 Crores for the quarter July to September 2020
	31-Oct-20	GSTR-4	Return for Composition Dealers for FY 2019-20

Due dates for the Month of October, 2020*

Regulation	Due Date	Compliance	Description
Income Tax Act, 1961	7-Oct-20	TDS/TCS	Due date for deposit of Tax deducted/collected for the month of Sept, 2020.
	15-Oct-20	TDS/TCS	Due date for issue of TDS Certificate for tax deducted under section 194 M, 194-IA & 194-IB in the month of Aug, 2020
	15-Oct-20	TDS/TCS	Quarterly statement of TCS deposited for the quarter ending September 30, 2020*
	30-Oct-20	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB and 194-M in the month of Sept, 2020
	30-Oct-20	TDS/TCS	Quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending September 30, 2020*
	31-Oct-20	Form 3CEAB	Intimation by a designated constituent entity, resident in India, of an international group in Form no. 3CEAB for the accounting year 2019-20.
	31-Oct-20	TDS/TCS	Quarterly statement of TDS deposited for the quarter ending September 30, 2020*
	31-Oct-20	Form 61	Copies of declaration received in Form No. 60 during April 1, 2020 to September 30, 2020 to the concerned Director/Joint Director*
	31-10-2020 (Extended to 30-11-2020)	ITR	Due date for filing of return of income for the assessment year 2020-21 if the assessee (not having any international or specified domestic transaction) is (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) partner of a firm whose accounts are required to be audited). The due date for filing of return has been extended from October 31, 2020 to November 30, 2020 vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No.35 /2020, dated 24-06-2020.
	31-Oct-2020	Form 3CEB	Audit report under section 44AB for the assessment year 2020-21 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E Report to be furnished in Form 3CEB in respect of international transaction and specified domestic transaction
31-Oct-2020	Form 3CA/3CB/3CD	Due date for filing of audit report under section 44AB for the assessment year 2020-21 in the case of a corporate-assessee or non-corporate assessee The due date for filing of audit report for the assessment year 2020-21 has been extended from September 30, 2020 to October 31, 2020 vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No.35 /2020, dated 24-06-2020.	
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	15-Oct-20	PF Payment	PF Payment for the month of Sept, 2020

* Note: Please also refer The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No. 35 /2020, dated 24-06-2020 and Notification No. 56/ 2020, dated 29-07-2020.

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.

\$ The due dates of filing are subject to change on the basis of extended date of AGM as per the new order issued by MCA on 10.09.2020.

HSCo

www.hscollp.in

Head Office (Mumbai)

409 - 410, Dalamal Chambers,
New Marine Lines,
Mumbai - 400 020, India.

E: hs@hscollp.in

Delhi Office

B-12, Somdutt Chambers II,
Bhikaji Cama Place,
New Delhi – 110066.

E: delhi@hscollp.in

Bangalore Office

Brigade IRV, 9th floor
Nallurahalli, Whitefield,
Bangalore – 560 066.

E: bangalore@hscollp.in

Pune Office

1A, 2nd Floor, City Vista,
Fountain Road, Off.
Victorious Kids School,
Kharadi, Pune - 411 014.

E: pune@hscollp.in

Hyderabad Office

Unit 301, Inani House,
Kavuri Hills Madhapur,
Phase II, Near D-Mart,
Hyderabad – 500 033.

E: hyderabad@hscollp.in

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