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***CBDT Extends Time
barring Assessments
due dates***

- The Board notified that the date for the passing of assessment or reassessment orders under the IT Act, which is getting time-barred on 31.03.2021 due to extension of limitation date by the notification dated 31.12.2020 has been extended to 30.04.2021.
- Further where the date for passing assessment or reassessment orders getting time-barred on 31st March 2021, as per the time limit specified in section 153 or 153B of the Income-tax Act, has been extended by 6 months i.e. to 30.09.2021.
- Also the date for the passing of penalty orders extended to 30.06.2021.

https://incometaxindia.gov.in/communications/notification/notification_10_2021.pdf

***Due Dates for Vivad se
Vishwas Scheme
extended again!***

CBDT has further extended the due dates for VsV Scheme as follows:

- The last date for Opting under the Scheme extended to 31.03.2021 from 28.02.2021.
- The last date for Making Payment of 100% of Disputed Tax in non search cases and 125% in search cases (i.e. without additional payment) extended to 30.04.2021 from 31.03.2021.
- The Starting date for Making Payment of 110% of the Disputed Tax in non search cases and 135% in search cases (i.e. with additional payment) has been further extended to 1.5.2021 from 1.4.2021

https://www.incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDF/notification_9_2021.pdf

Due date for filing Form GSTR-9 (Annual Return) and Form GSTR-9C (Annual Audit) for FY 2019-20 extended:

The due date for e-filing of Form GSTR-9 and GSTR-9C for FY 2019-20 has been further extended to March 31, 2021.

[Notification No.04/2021– Central Tax dated February 28, 2021]

E-invoicing will be applicable for the taxpayers having aggregate turnover exceeding Rs.50 Cr effective from April 1, 2021

E-invoicing will be applicable for the taxpayers having aggregate turnover exceeding Rs.50 Cr effective from April 1, 2021

As per the Notification 13/2020- Central Tax read with Notification no. 61/2020- Central Tax, e-invoicing was made applicable from October 1, 2020 for Companies having turnover above Rs.500 Cr. Thereafter, the earlier Notification was amended by the Notification 88/2020- Central Tax to include Companies having turnover above Rs.100 Cr from 1 January 2021.

In this regard, it has been further amended to include Companies having turnover of more than Rs.50 Cr in any preceding financial year from 2017-18 onwards to comply with e-invoicing provisions effective from April 1, 2021

[Notification No.05/2021 – Central Tax dated March 8, 2021]

AADHAR Verification on GST portal will not be applicable for certain category of persons

It has been notified that, the provisions of sub-section (6B) or sub-section (6C) of section 25 i.e. requirements of Verification of AADHAR on GST Portal, shall not apply to following categories of persons:

- a) not a citizen of India
- b) a Department or establishment of the Central Government or State Government
- c) a local authority
- d) a statutory body
- e) a Public Sector Undertaking
- f) a person applying for registration under the provisions of sub-section (9) of section 25 of the said Act

[Notification No.03/2021 – Central Tax dated February 23, 2021]

**Remittances to
International Financial
Services Centres
(IFSCs) in India under
the Liberalised
Remittance Scheme
(LRS)**

With a view to deepen the financial markets in International Financial Services Centres (IFSCs) and provide an opportunity to resident individuals to diversify their portfolio, the extant guidelines on Liberalised Remittance Scheme (LRS) have been reviewed and it has been decided by the Reserve bank of India (RBI) to permit resident individuals to make remittances under LRS to IFSCs set up in India under the Special Economic Zone Act, 2005, as amended from time to time. Accordingly, AD Category- I banks may allow resident individuals to make remittances under LRS to IFSCs in India, subject to the following conditions:

- i. The remittance shall be made only for making investments in IFSCs in securities, other than those issued by entities/companies resident (outside IFSC) in India.
- ii. Resident Individuals may also open a non interest bearing Foreign Currency Account (FCA) in IFSCs, for making the above permissible investments under LRS. Any funds lying idle in the account for a period upto 15 days from the date of its receipt into the account shall be immediately repatriated to domestic INR account of the investor in India.
- iii. Resident Individuals shall not settle any domestic transactions with other residents through these FCAs held in IFSC.

It may be noted that any person resident in India (outside IFSC) entering into any transaction with a person/entity in IFSC shall only be governed by regulations/directions and rules issued/notified by the Reserve Bank of India and the Government of India respectively under Foreign Exchange Management Act (FEMA), 1999.

(RBI/2020-21/99A.P. (DIR Series) Circular No. 11 dated February 16, 2021)

Payment to non-resident entities for software is not taxable as royalty under the DTAA

Taxability of software has been one of the highly litigated matters in India. Many rulings, both in favor and against the taxpayers, have been decided in past many years on this subject by various lower courts and Tribunals. Finally, the Supreme Court, in the case of Engineering Analysis Centre Of Excellence Pvt. Ltd., has given a concluding resolution to this contentious matter that has been pending for long by deciding that payments received by non-residents as consideration for sale of license of computer software to Indian companies is not taxable as Royalty.

The Court held that consideration paid by resident Indian end-users/distributors to non-resident computer software manufacturers or suppliers, for the resale or use of the computer software through End users License Agreement (EULA)/distribution agreement, is not in the nature of royalty for the use of copyright in the computer software. Such payments, therefore, do not give rise to any income taxable in India and hence, the resident Indians are not liable to withhold any tax at source u/s 195 of the Income Tax Act.

The Supreme Court pointed out to the meaning of copyright with respect to computer software as provided in Section 14(b)(ii) of the Copyright Act, 1957 and stated that the object of this section, in the context of a computer program, is to prohibit reproduction of the said computer program and later transfer of the reproduced computer. It further opined that the Section would only apply to the making of copies of the computer program and then selling them, i.e., reproduction of the same for sale or commercial rental. A distributor who purchases computer software in material form and resells it to an end-user is outside the scope of Section 14(b)(ii) of the Copyright Act. The Supreme Court clarified that ownership of copyright in work is different from ownership of physical material in which the copyrighted work may have been embedded.

In terms of Section 30 of the Copyright Act, the license transfers an interest in all or any of the rights contained in sections 14(a) and 14(b) of the Copyright Act. The Supreme Court held that the license that is granted vide the EULA is a license that imposes restrictions or conditions for the use of computer software and does not grant interest in a Copyright hence is different from the license referred to in Section 30 of the Copyright Act.

This is a welcome judgment from the Apex Court for cross border transactions of purchase of computer software, especially from countries with which India has entered into a Double Tax Avoidance Agreement (DTAA). On a separate note, in the recent Budget 2021, it is proposed that consideration received or receivable for specified services and for e-commerce supply or services shall not include the consideration which is taxable as royalty or fees for technical services in India under the Income tax Act read with DTAA. In light of this decision and the budget proposal, such Companies operating in India may have to revisit their stand on the equalization levy and may accordingly have to review the scope of their business transactions.

(Engineering Analysis Centre Of Excellence Pvt. Ltd. v. CIT and ANR in Civil Appeal Nos. 8733-8734 of 2018)

The Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2021

- **Original Rule:** The Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- **Date of Notification:** 1st February, 2021.
- **Effective date of Amendment:** 1st February, 2021.
- **Amendment:** To amend The Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to insert sub-rule 1A in its Rule 25 (**Merger and Amalgamation of Certain Companies**) as follows:

Rule 25 (1A) - A scheme of merger or amalgamation under section 233(Merger or Amalgamation of Certain Companies) of the Act may be entered into between any of the following class of companies, namely:-

- (i) two or more start-up companies; or
- (ii) one or more start-up company with one or more small company.

Link:

http://www.mca.gov.in/Ministry/pdf/AmalgamationsAmndtRules_02022021.pdf

The Companies (Specification of Definitions Details) Amendment Rules, 2021

- **Original Rule:** The Companies (Specification of Definitions Details) Rules, 2014.
- **Date of Notification:** 1st February, 2021.
- **Effective date of Amendment:** 1st April, 2021.
- **Amendment:** To amend The Companies (Specification of Definitions Details) Rules, 2014 to insert sub – clause (t) to regarding definition of small Company as follows:

As per Section 2 (85)(Definition of Small Company)(i) and (ii) of the Companies Act, 2013, paid up capital and turnover of the small company shall not exceed rupees Two Crores and Rupees Twenty Crores respectively.”

Link:

http://www.mca.gov.in/Ministry/pdf/SpecificationAmndtRules_02022021.pdf

The Companies (Incorporation) Second Amendment Rules, 2021

- **Original Rule:** The Companies (Incorporation) Rules, 2014.
- **Date of Notification:** 1st February, 2021.
- **Effective date of Amendment:** 1st April, 2021.
- **Amendment:** To amend The Companies (Incorporation) Rules, 2014 to substitute/delete sub – rules of its Rule 3, 6 and Rule 7 and amend Annexure the Companies (Incorporation) Rules, 2014 to remove Form INC – 5 (One Person Company- Intimation of exceeding threshold) from it and revise Form INC – 6 (Application of One Person Company to Private or Public Company and Conversion of Private Company into One Person Company).

Link:

http://www.mca.gov.in/Ministry/pdf/CompaniesSecondAmndtRules_16022021.pdf

**The Producer
Companies Rules, 2021**

- **Name of the Rules:** The Producer Companies Rules, 2021
- **Date of Notification:** 11th February, 2021.
- **Effective Date of Rules:** 11th February, 2021 (Yet to be notified).
- **Synopsis:** The Producer Companies Rules, 2021 divided into following rules:
 - 1) Short Title and Commencement;
 - 2) Applicability;
 - 3) Definitions;
 - 4) Change of place of Registered Office from one state to another
 - 5) Investment of General Reserves

Link:

http://www.mca.gov.in/Ministry/pdf/ProducerCompaniesRules_16022021.pdf

**The Companies (Share
Capital and
Debentures)
Amendment Rules,
2021**

- **Original Rule:** The Companies (Share Capital and Debentures) Rules, 2014.
- **Date of Notification:** 11th February, 2021.
- **Effective date of Amendment:** 1st April, 2021.
- **Amendment:** To amend The Companies (Share Capital and Debentures) Rules, 2014 to insert new Rule 12A (Period for notice under Section 62(1) (a) (i) [Notice of Offer of Further Issue of Share Capital]) as follows:

Rule 12A- Period for notice under sub-clause (i) of clause (a) of sub-section (1) of section 62.-

For the purposes of sub-clause (i) of clause (a) of sub-section (1) of section 62 [Notice of Offer of Further Issue of Share Capital], the time period within which the offer shall be made for acceptance shall be not less than Seven days from the date of offer.

Link:

http://www.mca.gov.in/Ministry/pdf/CompaniesShareCapitalDebenturesRules_16022021.pdf

**The Companies
(Specification of
Definitions Details)
Second Amendment
Rules, 2021**

- **Original Rule:** The Companies (Specification of Definitions Details) Rules, 2014.
- **Date of Notification:** 19th February, 2021.
- **Effective date of Amendment:** 1st April, 2021.
- **Amendment:** To amend The Companies (Specification of Definitions Details) Rules, 2014 to insert new Rule 2A (Companies Not to be considered as Listed Companies) after Rule 2 (Definitions) as follows:

Rule 2A - Companies not to be considered as listed companies as per Section 2(52)[Definition of Listed Company] of the Companies Act, 2013-

(a) Public companies which have not listed their equity shares on a recognized stock exchange but have listed their
(i) non-convertible debt securities issued on private placement basis in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008; or
(ii) non-convertible redeemable preference shares issued on private placement basis in terms of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; or

(b) Private companies which have listed their non-convertible debt securities on private placement basis on a recognized stock exchange in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008;

(c) Public companies which have not listed their equity shares on a recognized stock exchange but whose equity shares are listed on a stock exchange in a jurisdiction as specified in sub-section (3) of section 23 (Public Offer and Private Placement) of the Act.]

Link:

http://www.mca.gov.in/Ministry/pdf/CompaniesSpecification2ndAmndtRules_22022021.pdf

**Notification regarding
Commencement of
Section 52 (Section 378
A to 378ZU of the
Companies Act, 2013
–All Sections related to
Producer Company)
and 66 (Section 465 of
the Companies Act,
2013- Repeal of
Certain Enactments
and Savings) of the
Companies
(Amendment) Act,
2020**

- Ministry of Corporate Affairs vide notification dated 11th February, 2021 informs that, Sections 52 (Section 378 A to 378ZU of the Companies Act, 2013 – All Sections related to Producer Company) and 66 (Section 465 of the Companies Act, 2013- Repeal of Certain Enactments and Savings) of the Companies (Amendment) Act, 2020 has been effective from 11th February, 2021.

Due dates for the Month of April, 2021#

Regulation	Due Date	Compliance	Description
Employees' State Insurance Act, 1948- (ESIC)	15-Apr-21	ESIC Payment	ESIC Payment for the month of March, 2021.
Goods and Service Tax (GST)	10-Apr-21	GSTR 7	Summary of Tax Deducted at Source (TDS) and deposited for the month of March 2021
	10-Apr-21	GSTR 8	Summary of Tax Collected at Source (TCS) and deposited by E-Commerce Operator for the month of March 2021
	11-Apr-21	GSTR 1 (Monthly)	Return of outward supplies of taxable goods and/or services for the Month of March 2021 (for Assesses having turnover exceeding 1.5 Cr.)
	13-Apr-21	GSTR 6	Return for Input Service Distributors for the month of March 2021
	13-Apr-21	GSTR 1 (Quarterly)	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 January to March 2021
	20-Apr-2021 or 22-Apr-2021 or 24-Apr-2021	GSTR 3B	Simple GSTR return for the Month of March 2021 (based on category of taxpayer)
Income Tax Act, 1961	30-Apr-21	TDS/TCS	Due date for deposit of Tax deducted/collected for the month of March, 2021.
	30-Apr-21	TDS/TCS	Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2021
	30-Apr-21	Form 61	Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2020 to March 31, 2021
The Companies Act, 2013	30-Apr-21	MSME- 1	Furnishing of half yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprise for the period from October, 2020 to March, 2021.
PT Act 1975 (Employee)	21-Apr-21	PT Employees	Monthly payment of Profession Tax for Employees for the month of March, 2021
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	15-Apr-21	PF Payment	PF Payment for the month of March, 2021.

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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