

# KNOWL **EDGE**

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## **11.48 crore PAN cards are still not linked with Aadhaar: Govt**

The government has collected over Rs 600 crore as penalty for delay in linking PAN with Aadhaar, and about 11.48 crore Permanent Account Numbers are still not linked with biometric identity, Parliament was informed on Monday.

"Number of PANs not linked with Aadhaar, excluding exempted categories, is 11.48 crore as on January 29, 2024," Minister of State for Finance Pankaj Chaudhary said in a written reply in the Lok Sabha.

To a question regarding the details of government earning through late penalty of Rs 1,000 from the persons who have not linked their PAN and Aadhaar after the last date of June 30, 2023, Chaudhary said "the total collection of fee from persons who have not linked their PAN with Aadhaar is Rs 601.97 crore from July 1, 2023 to January 31, 2024"

<https://indianexpress.com>

## **A lot of effort has been made by the department to develop taxpayer confidence: CBDT Chairman**

The income tax department has made a lot of effort to build the confidence of taxpayers through initiatives and the use of technology. This has led to higher compliance and increase in the direct tax collection as well as widening of the taxpayer base, believes Nitin Gupta, Chairman, Central Board of Direct Taxes. In a post Budget interview to BT, Gupta also says that about 60% of taxpayers may move to the new income tax regime

The direct tax-to-GDP ratio rose to the highest level in 15 years last fiscal and tax collection trends have been robust.

In FY24, the target vis à vis the actual collections of 2022-23 is 16.95% or Rs 19.45 lakh crore in absolute numbers, which is the highest ever target given to us by the government.

<https://www.businesstoday.in>

## **Supreme Court slams Income Tax Department for filing cases after time limit**

Coming down heavily on the revenue authorities for their tendency to file petitions "belatedly" in courts and tribunals, the Supreme Court on Tuesday asked the

income-tax department to put a proper litigation policy in place since it is the "biggest litigant" in the country.

The court rejected an I-T department plea against Bharti Airtel Ltd after noting that there has been a delay of more than four years in filing an appeal.

<https://economictimes.indiatimes.com>

## **Existing taxation structure for corporates very reasonable: Revenue Secretary**

The existing taxation structure for corporates with a 22 per cent tax is "very reasonable" when compared to an economy of the size of India and hence the concessional tax regime which was in force for four years for new manufacturing units was not extended beyond March 2024, Revenue Secretary Sanjay Malhotra said.

In an interview with PTI, Malhotra said the Interim Budget 2024-25 provides for continuity in taxation regime and the benefits given to taxpayers in the last years are showing results in the form of huge buoyancy in personal income tax.

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

## **Wait for unprocessed income tax refund to get longer; deadline extended by 3 months**

The Central Board of Direct Taxes (CBDT) has said that all income tax returns (ITR) that are validly filed electronically up to AY 2020-21 with refund claims under section 143 (1) would now be processed by April 30, 2024, unless otherwise prescribed.

CBDT in the circular dated January 31, 2024, said, "The matter has been re-considered by the Board in view of pending taxpayer grievances related to the issue of refund. To mitigate the genuine hardship being faced by the taxpayers on this issue, Board hereby further extends the time till 30.04.2024 in respect of returns of income validly filed electronically up to AY 2020-21.

<https://economictimes.indiatimes.com>

## **Advisory for furnishing bank account details by registered taxpayers under Rule 10A of the Central Goods and Services Tax Rules, 2017 - 23/01/2024**

**Mandatory Bank Account Details Submission as per law:** All Registered Taxpayers are required under the provisions of CGST Act, 2017 and the corresponding Rules framed thereunder to furnish details of their bank account/s within 30 days of the grant of registration or before the due date of filing GSTR-1/IFF, whichever is earlier.

Taxpayers are therefore advised to promptly furnish their bank account details, who have not provided it so far if 30 Days period is shortly going to expire to avoid disruption in business activities and the subsequent suspension of GSTIN.

A new functionality is being developed with the following features and will be deployed in near future:-

### **1. Failure to furnish the bank account in the stipulated time:** It would result into following:

- a) Taxpayer Registration would get suspended after 30 days and intimation in FORM REG-31 will be issued to the Taxpayer.
- b) Get the Taxpayer debarred from filing any further GSTR-1/IFF.

**2. Revocation of Suspension:** If the taxpayer updates their bank account details in response to the intimation in FORM REG-31, the suspension will be automatically revoked.

**3. Cancellation of Registration:** If the bank account details are not updated even after 30 days of issuance of FORM REG-31, the registration after suspension may also be taken up for cancellation process by the Officer.

Taxpayers are requested to take immediate action to provide the necessary information and avoid any adverse consequences.

## **Advisory on Payment through Credit Card (CC)/Debit Card (DC) and Unified Payments Interface (UPI) - 19/01/2024**

To facilitate the taxpayer registered under GST with more methods of payment, two new facilities of payment have now been provided under e-payment in

addition to net-banking. The two new methods are Cards and Unified Payments Interface (UPI). Cards facility includes Credit Card (CC) and Debit Card (DC) namely MasterCard, Visa, Ru Pay, Diners (CC only) issued by any Indian bank

### ***Pan Masala, tobacco manufacturers may have to pay Rs 1 lakh penalty for packing machines not registered under GST***

Pan masala and tobacco manufacturers that do not register their packing machines with goods and services tax (GST) authorities may face a penalty of Rs 1 lakh per machine. Further the machine could also be confiscated by the GST department.

To this effect, the Finance Bill, 2024, which was tabled along with the Interim Budget 2024-25, has introduced a section 122 in the Central Goods and Services Tax Act in a bid to improve compliance in the evasion prone sector.

“Notwithstanding anything contained in this Act, where any person, who is engaged in the manufacture of goods in respect of which any special procedure relating to registration of machines has been notified under section 148, acts in contravention of the said special procedure, he shall, in addition to any penalty that is paid or is payable by him under Chapter XV or any other provisions of this Chapter, be liable to pay a penalty equal to an amount of Rs 1 lakh for every machine not so registered,” said the section.

In addition to the penalty, every machine not so registered shall be liable for seizure and confiscation, it further said.

However, the machine will not be confiscated if the penalty is paid and the machine is registered within three days of the receipt of communication of the order of penalty.

Based on a decision by the GST Council, the CBIC had in January this year notified a special procedure for registering packing machines and filing returns by pan masala and tobacco manufacturers.

All such manufacturers would have to furnish the details of the packing machines that are used for filling of packages on the GST portal within 30 days of the notification coming into effect or by May 1, 2024.



Further, any person planning to manufacture such products would also have to register and provide details of the packing machines within 15 days of the grant of registration. Upon furnishing these details, a unique registration number would be generated for each such machine.

## **An LO qualifies as a PE in India under the India-Germany DTAA when its activities extend beyond serving solely as a communication conduit between the Head Office (HO) and clients in India**

Based on the facts and circumstances of the case, recently, the Income-tax Appellate Tribunal in Delhi has ruled that the operations of the Liaison Office (LO) of a German company in India should be considered a permanent establishment (PE) under Article 5 of the India-Germany Double Taxation Avoidance Agreement (DTAA). The ruling was based on the finding that the LO's activities, which involved decisions on book titles, order procurement, pricing, and profit determination, were not merely preparatory or auxiliary in nature.

Key points from the ruling include the Tribunal's determination that the LO's activities, such as procuring orders in India, deciding cost components and margins, and setting prices for books to be reprinted at the Export Processing Zone (EPZ), exceeded the scope of preparatory and auxiliary functions. Consequently, a PE of the foreign company was established in India. The ruling also emphasized that the 11% mark-up paid to the Indian subsidiary of the foreign company for similar services was considered as net profit, with 80% attributed to the income of the PE due to its significant role in EPZ sales.

This decision highlights the importance of factual details and documentation in determining PE. Despite the usual non-commercial nature of LO activities, the statements of LO officials in this case suggested a broader range of functions, emphasizing the significance of the actual business conduct in establishing a PE according to tax authorities.

Springer Verlag GmbH V. DDIT - ITA Nos. 643 to 645/Del/2005 & 3660/Del/2009

## **Notification dated 24th January, 2024 related to Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024**

Under this notification the Ministry of Corporate Affairs issued Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024. It is a step taken by the Government to enable unlisted and listed public companies to issue securities for listing on approved stock exchanges in permissible foreign jurisdictions.

These regulations provide clarity on eligibility criteria, listing requirements, and reporting obligations.

The Permitted exchanges for listing as defined under these rules include the India International Exchange of NSE and India International Exchange.

### **Applicability:**

The rules apply to unlisted public companies and listed public companies that comply with regulations set by the Securities and Exchange Board or the Authority which issue their securities for the purposes of listing on permitted stock exchanges in permissible jurisdictions.

### **Eligibility Criteria:**

Following Companies are not eligible for issuing its equity shares for listing under these Rules:

1. has been registered under section 8 or declared as Nidhi under section 406 of the Act;
2. is a company limited by guarantee and also having share capital;
3. has any outstanding deposits accepted from the public as per Chapter V of the Act and rules made thereunder;
4. has a negative net worth
5. has defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holder or any other secured creditor

Provided that this clause shall not apply if the company had made good the default and a period of two years had lapsed since the date of making good the default;

6. has made any application for winding-up under the Act or for resolution or winding-up under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and in case any proceedings against the company for winding-up under the Act or for resolution or

winding-up under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) is pending;

7. has defaulted in filing of an annual return under section 92 or financial statement under section 137 of the Act within the specified period.

Unlisted Public Companies not falling under above-mentioned criteria and not having partly paid-up shares, may issue equity shares for the purposes of listing on a stock exchange in a permissible jurisdiction.

### **Compliances:**

1. Unlisted public companies must file a prospectus in e-Form LEAP-1 within seven days of finalization and submission in the permitted exchange.
2. Unlisted Public Companies, Post-listing, must adhere to Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015.
3. The unlisted public company or its existing shareholders shall also comply with the requirements of the Scheme.

# Compliance Calendar

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HSCo

Due dates for the Month of Mar, 2023#

Regulation	Due Date	Compliance	Description
Income Tax Act, 1961	1-Mar-24	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA/194IB/194IM in the month of February 2024 Due date for deposit of Tax deducted/collected for the month of February 2024.
	7-Mar-24	TDS/TCS	Due date for deposit of Tax deducted/collected for the month of February, 2024.
	15-Mar-24	Advance Tax	Fourth instalment of advance tax for the assessment year 2024-25 & Due date for payment of whole amount of advance tax in respect of assessment year 2024-25 for assessee covered under presumptive scheme of section 44AD/44ADA
	16-Mar-24	TDS/TCS	Due date for issue of TDS Certificate for tax deducted under section 194-IA/194-IB/194-IM in the month of January 2024
	30-Mar-24	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA/194IB/194IM in the month of January, 2024 Due date for deposit of Tax deducted/collected for the month of February, 2024.
Goods and Service Tax (GST)	10-Mar-24	GSTR 7	Summary of Tax Deducted at Source (TDS) and deposited for the month of February 2024
	10-Mar-24	GSTR 8	Summary of Tax Collected at Source (TCS) and deposited by E-Commerce Operator for the month of February 2024
	11-Mar-24	GSTR-1	Return of outward supplies of taxable goods and/or services for the Month of February 2024 (for Assesses having turnover exceeding 5 Cr.)
	13-Mar-24	GSTR 6	Return for Input Service Distributors for the month of February 2024
	13-Mar-24	IFF-QRMP	Option of uploading Invoices for February 2024 using Invoice Furnishing Facility (IFF) applicable to tax payers opted for Quarterly Return Monthly Payment (QRMP) Scheme
	20-Mar-24 or 22-Mar-24 or 24-Mar-24	GSTR-3B	Simple GSTR return for the Month of February 2024 (based on category of taxpayer)
PT Act 1975 (Employee)	31-Mar-24	PT Employees	Profession Tax (Annual) Maharashtra - Employees, Company/Firm & Directors / Partners
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	15-Mar-24	PF Payment	PF Payment for the month of February, 2024
Employees' State Insurance Act, 1948 - (ESIC)	15-Mar-24	ESIC Payment	ESIC Payment for the month of February, 2024

# 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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