



CASE STUDY

FILING INCOME TAX RETURN OF NON-RESIDENT COMPANY

BACKGROUND OF THE CASE

Our client is an Italian Company who is a global player in the Analytical sector for Chemical, Biochemical, Microbiological, Physical and Sensory on Food products, Feeding, Supplements, Food Contact Materials (FCM), Cosmetics and on Pharmaceutical products.

During the Indian financial year 2018-19, the company had made a number of transactions in India in relation to their services referred above. Also, during the above period, the company has incorporated one new entity with a new name & applied for a new PAN number. The Indian customers did not deduct TDS (withholding tax) on the PAN number of the new company due to which the company was unable to claim this tax and consequently unable to file the Income Tax Return for said Assessment Year. After exhausting all possibilities, the management of the Company expressed their intention to file Income Tax Return with the help of Octagona India.

HOW DID OCTAGONA INDIA HELP?

- Octagona India firstly collected all the details from the company with all the invoices issued to Indian companies alongwith the net amount received from the Indian companies.
- After receiving all the invoice details, we converted the Foreign currency into Indian Rupees and bifurcated the income in both the old company and newly incorporated company.
- Some of the Indian Customers have wrongly deducted TDS against the Old Company whereas the invoice has been issued from the new company. We helped the client to ask the Indian companies to correct the PAN number in the TDS returns filed by them, so that the correct TDS could be reflected against each PAN number.
- After the successful coordination between the Client and Indian companies with the help of Octagona, Form 26AS is corrected and tax liability is computed for both the companies.

FINAL OUTCOME

As a result of corrections made in Form 26AS by the Indian companies, we have computed the correct Income and the Tax Liability of both new and old company and file the income tax return successfully.



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