



Newsletter

AASquare Advisors

Edition June 2021

Creative
Teamwork
Think Idea Mind
Innovate
Process Business

Interview

(Set up under LLP Act of Parliament)
Article - COVID 19



Ravikiran Ambaji Rao
Hire to Retire (H2R) Lead
Novartis



Dr Ashish Kumar Singh
Assistant Professor
TMMRC Moradabad

Message



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Founder
Raindrop Home Products



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Please feel free to reach us at info@asquareadvisors.in / arjitagarwal@gmail.com for your valuable views/suggestions/ feedback for improvement of this Newsletter.

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Contents

Exclusive

- 04 Interview of
Ravikiran Ambaji Rao
Hire-to-Retire (H2R) Lead - Novartis
- 07 Article on Covid 19
by Dr Ashish Kumar Singh
Assistant Professor – TMMRC Moradabad
- 09 Startups full of promise and excitement
by Rupin Goel – Founder Raindrop Products
- 10 Message on Life towards New Normal
by Advocate Yamini Gupta
Practicing Lawyer New Delhi
- 11 Article on Stay Order –
An Analysis on Apex Court Judgement
by CA Arjit Agarwal

Income Tax

- 17 Recent Verdicts
by CA Arpit Agarwal
- 19 Legal Updates in relation to Direct
Taxes during May
by Editorial Team

Goods & Service Tax

- 32 Legal Updates during May
by Editorial Team

Photo Gallery

- 33 Events pictures during May

Eleventh Edition : June, 2021
Committee/Department : Editorial Board
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Interview with Ravikiran Ambaji Rao

Hire-to-Retire (H2R) Lead - Novartis

Creative
Teamwork
Think Idea
Innovate



Ravikiran Ambaji Rao is the Hire-to-Retire (H2R) Lead for Novartis, responsible for establishing and leading a team to deliver high quality H2R deliverables for Novartis associates across target geographies. Emerge as a delivery power house ensuring associates satisfaction during the moments that matter to them, based at Hyderabad. He has also served as Global Service Delivery Head in Novartis.

Thinking Professional with 15 years of experience in leading people, program and Transformation Projects management in the HR Services domain. Adept at assessing complex HR Services projects, programs and process needs, generating options and lead implementation of collaborative business solutions across HR Services including Payroll and Benefits Management, Master data management, Learning Operations and Employee Engagement.

He is leading geographically spread HR Service Delivery teams at global levels. Proven ability to leverage on people capabilities to deliver impactful business solutions and also exposed to working in highly matrix organizations, collaborating with multiple business leaders at CXO levels across geographies providing HR Services Solutions.

Previously he has been Visiting Faculty at Bharathidasan Institute of Management Tiruchirapalli and Narsee Monjee Institute of Management Studies & also leads many corporate entity as part of Senior Management Team.

An inspirational story of a person who started his career as Medical Representative in year 1994 and reached to H2R Lead for Novartis.



1. CA Arjit Agarwal - First of all, I would like to thank you on behalf of AASquare Advisors LLP for sparing your valuable time for an Interview with us covering Inspirational story.

Ravikiran - It is my pleasure connecting with you and thank you very much for giving me an opportunity to reflect

2. CA Arjit Agarwal - You started your journey as medical representative in the year 1994 and now leading a team to deliver high quality Hire to Retire (H2R) deliverables for Novartis associates across target geographies. Can you enlighten us on your inspirational journey and who is your role model ?

Ravikiran - I have been fortunate to have great human beings as my managers who have also been my role models, who really played a key part in my growth. They have been trusting in my capabilities and investing in me which is what keeping me going

Ravikiran - The H2R team is accountable for ensuring quality HR master data management across life-cycle of an associate within Novartis thus impacting all the down-stream HR Processes encompassing Talent Acquisition, Payroll, Learning and Talent Management.

4. CA Arjit Agarwal - You are with Novartis for almost 8 years -. Can you please share your experience while working in Novartis and what good things in Novartis which helps you in deciding to work for Novartis for such long period?

Ravikiran - The “Novartis culture” is the key reason. Novartis is one of the very few organizations I can proudly say keeps “People Focus” on everything. When you feel valued in an organization you feel connected!

5. CA Arjit Agarwal - How was your experience being Visiting Faculty at BIM (Bharthidas an Institute of Management – Trichy and at NMIMS - Mumbai) and what inspired you to do MBA from NMIMS in between job?

Ravikiran - The biggest inspiration to pursue my MBA, as I mentioned earlier has come from my Managers, they were the ones who were critical of my “lack of focus” and encouraged me to look at changing my perspective about life. Of course, it was a tough choice, to quit my job after 8 plus years of professional journey to pursue formal education. But that leap of faith has changed my perspective about life and has also given me a wealth of knowledge network...

When I got a chance to go back schools as faculty member with the MBA students at BIM and at NMIMS, I realized by interacting with young minds I could rejuvenate and reinvent my learning process. I must say more than teaching students I learnt a lot during the stint as a visiting faculty.



Ravikiran Ji as Visiting Faculty at BIM
Bharthidas an Institute of Management – Trichy

6. CA Arjit Agarwal - Technology is one of the most important tools in the development of any economy. COVID 19 has in many ways accelerated a transformation from manual to digital processes in a very short span of time. What are your views on technological development worldwide and what you think technology has impacted the HR function?

Ravikiran - Technology is the facilitator to get the best out of any resources, and this pandemic has augmented the adoption of technology in many facets of HR.

While the adoption has been a forced one, this has helped in maintaining productivity to a large extent during this testing times. I strongly believe, it is really difficult to replace human interactions completely but the virtual connects have become the norm in running businesses efficiently to a large extent and using the right blend of technology with human interactions is going to be critical as we move forward.

7. CA Arjit Agarwal - What changes have you witnessed in employee’s behavior over last year post COVID 19?

Ravikiran - The biggest change in the associates is the exhibition of resilience factor. Associates have shown courage and commitment to beat the odds in executing their accountabilities.

The biggest change I am witnessing in managers is the factor of increased trust quotient on their team members which to me is a welcome change...



8. CA Arjit Agarwal - What challenges you faced in past one year during COVID 19 while working and your inputs on work culture?



Ravikiran - To me the biggest challenge was scaling-up the team from 20 members to nearly 100-member team. Virtually on-boarding them and trying to build a strand of common culture without meeting them has been a daunting task. I must say I am partially at it but way to go...

My biggest suggestion/input on work culture would be to focus on trust building...which helps in getting extra-ordinary results from ordinary members.

9. CA Arjit Agarwal - Lastly, what advice would you like to give HR professionals during this COVID period and post that?

Ravikiran - I strongly believe HR as a fraternity has a critical role in building human capital asset by truly focusing on culture building which shall be the bed-rock of success.

10. CA Arjit Agarwal - Thank you so much for giving your precious time and responding well to my questions.

Ravikiran - It was pleasure interacting with you and thank you very much for the opportunity given

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1. In Brief :-

The world is in the midst of a COVID-19 pandemic. As WHO and partners work together on the response -- tracking the pandemic, advising on critical interventions, distributing vital medical supplies to those in need-- they are racing to develop and deploy safe and effective vaccines.

Health workers are central to the COVID-19 pandemic response, balancing additional service delivery needs while preserving access to essential health services and deploying COVID-19 vaccines. They also face higher risks of infection in their efforts to protect the greater community and are exposed to hazards such as psychological distress, fatigue and stigma



To the main preventive measures of staying at least 6 feet distance away from others, covering a cough or sneeze in your elbow, frequently cleaning your hands, wearing a mask and avoiding poorly ventilated rooms or opening a window.

2. Causes of resurgence of Covid cases in India:-

- Multiple factors are involved in exponential increase of Covid cases across India
- Avoidance of covid appropriate behavior in people when cases started declining from December 2020 onwards
- Reluctance to covid vaccination initially due to unawareness of people and misinformation by some political parties
- Early and asystematic withdrawal of covid facilities by govt.
- Lack of upgradation of health infrastructure

3. Measures to control the spread:-

- Vaccination remains the core strategy to curb this epidemic. Be vaccinated and encourage others to get vaccinated at earliest
- Follow proper covid appropriate behavior strictly even after being vaccinated like hand washing; masks, 6 feet distance ; avoid crowded places etc
- Maintain optimum levels of blood sugar; blood pressure control, cholesterol reduction strategies
- Consult doctor online unless there is an emergency; avoid visiting hospitals for minor ailments.
- Take 8 hours sleep and healthy nutritious diet

4. Covid and mucormycosis:-

Mucor is ubiquitous fungi in soil but severe mucormycosis occurs in high risk groups only like

- Uncontrolled diabetics
- Patients on immunosuppressive drugs e.g transplant patients, autoimmune disorders etc
- Prolonged administration of steroids in covid cases

Early detection of symptoms/signs remains the cornerstone of mucormycosis management. Symptoms like facial swelling, headache, blurred vision, black eschar over face and palate, diplopia; unilateral facial paralysis indicates the probability of disease.

Diagnosis - Fungus culture, KOH staining; ct scan of paranasal sinuses.





Management and prevention-
Hospitalisation, Antifungals, Strict blood sugar control ,discontinue
immunosuppressants, wear masks and gloves while gardening, use distilled water
for humidifiers in oxygen supply



5. Conclusion:-

Masks should be used as part of a comprehensive strategy of measures to suppress transmission and save lives; the use of a mask alone is not sufficient to provide an adequate level of protection against COVID-19

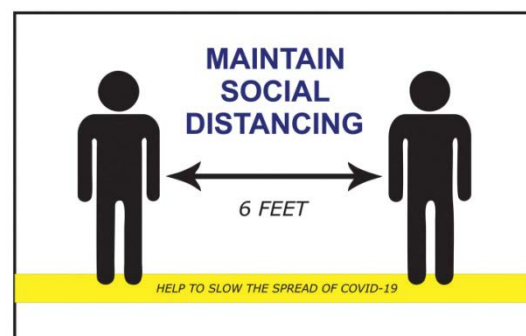
It's not vaccines that will stop the pandemic, it's vaccination. We must ensure fair and equitable access to vaccines, and ensure every country receives them and can roll them out to protect their people, starting with the most vulnerable

Safe and effective vaccines are a game-changing tool: but for the foreseeable future we must continue wearing masks, cleaning our hands, ensuring good ventilation indoors, physically distancing and avoiding crowds.

Being vaccinated does not mean that we can throw caution to the wind and put ourselves and others at risk, particularly because research is still ongoing into how much vaccines protect not only against disease but also against infection and transmission.



VACCINATION



This Article is personal views of Author and cannot be constructed as any form of legal opinion whatsoever.
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1. In Brief :-

Startups are full of promise and excitement, but on the flip side, they're also high on risk and uncertainty. There are several self-help books and articles on the reason why one startup would succeed over another, but its hard-pressed to pinpoint any one reason. That's because there is no one factor for success. According to me below mention 3 points are most important:-



a. Have an open mind:

Bruce Lee once said 'Empty your mind, be formless. Shapeless, like water. If you put water into a cup, it becomes the cup. You put water into a bottle and it becomes the bottle. You put it in a teapot it becomes the teapot. Now, water can flow or it can crash. Be water my friend.'

The above quote is an excellent metaphor for communicating just how valuable agility and adaptability is for a first time startup. One has to leave the old way of thinking, else precious time will be lost and one will be constantly playing catch up, which is not good for the business.

b. Remember that it's really hard:

The early stage of every startup is stressful and often lonely. Other people don't understand what you're going through. It's essential to stay passionate and focused, and find ways to smooth out the "sine wave" of emotion. But at the same time don't let wild passion blind you to the direction you're taking your business, though: it's good to take some time off now and then to get another perspective.

c. Don't complicate the idea, keep it simple:

Don't pay too much attention to functionality and perfection before you even define a target user segment. Keep your product or service simple at the start. Keep the core idea you intend to sell, and add perks along the way.

Remember, you likely can't copy/paste from a larger company's playbook. Not everything you build today will scale 10x, and that's okay because you'll be continually reinventing as your business grows. Its better to learn and adapt quickly.

As I have pointed out in my first point be like Water.



Advocate Yamini Gupta
Professional Lawyer - New Delhi

Dear Readers,

First of all, thank you for giving me an opportunity to share my thoughts in this newsletter.

Through the columns of this newsletter, I would like to draw attention towards one of the most sensitive yet alarming scenario which I am sure all the members of legal fraternity would agree with.

In these gloomy times caused by the Covid-19 outbreak, when more than half of the world is battling with the challenges posed to people not only health wise but economically as well, the established wisdom is day by day fading away beyond our imagination.

The nationwide lockdown has forced people to de-construct the "Normal" and adopt the "New Normal". Having said that, it compels me to mention about my own experience. Prior to this pandemic, Lawyers used to visit physically for court hearings but post- pandemic lawyers had to step into the virtual world for which a lot of efforts had to be made to get accustomed to the completely new idea of attending cases virtually, thereby ensuring livelihoods and sustenance. Initially, due to immense pressure, not so tech-savvy people suffered a lot and learnt new ways of attending court hearings.

After learning "New Normal" life ways, court hearings didn't took place regularly due to the looming threat of the spread of Covid-19 again leaving advocates baffled.

It is so ironic that this pandemic has made health to be on the top most priority of the World today which has made people mentally, emotionally and financially weak.

With social isolation, disturbed family routines, disrupted work and economic instabilities, it is impacting our mental health causing anxiety and depression.

Under these stressful rapidly changing unpredictable circumstances, which are making us helpless, it's high time to realise that when we can't control the situation then there is no point in crying over the spilt milk. Redirecting our energy towards some constructive work will definitely not just help us to deal effectively with the horrific situation but also reinvent ourselves following the balanced optimistic approach.

Last but not the least, we all are in this together.

'Life is either everything or nothing'

So let's make a change by accepting the change without looking back.

More power to all !

New Delhi
28th May 2021

With regards,

Advocate Yamini Gupta
Practicing in Delhi District Courts,
High Court, Supreme Court



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1. In Brief :-

Under Section 254(2A) of the Income Tax Act, a closer look at third proviso shows that that if such appeal is not so disposed of within the period allowed under the first proviso or the period or periods extended or allowed under the second proviso, which shall not, in any case, exceed three hundred and sixty-five days, the order of stay shall stand vacated after the expiry of such period or periods, even if the delay in disposing of the appeal is not attributable to the assessee.

Honorable Apex Court in case of
Deputy Commissioner of Income Tax
Vs
Pepsi Foods Ltd

Held that



The third proviso to Section 254(2A) of the Income Tax Act will now be read without the word “even” and the words “is not” after the words “delay in disposing of the appeal”. Any order of stay shall stand vacated after the expiry of the period or periods mentioned in the Section only if the delay in disposing of the appeal is attributable to the assessee (para 25)

2. Relevant terms :-

| Section No. | Bare Law |
|---|---|
| 254(2A) - Orders of Appellate Tribunal | <p>In every appeal, the Appellate Tribunal, where it is possible, may hear and decide such appeal within a period of four years from the end of the financial year in which such appeal is filed under sub-section (1) or sub-section (2) of section 253 :</p> <p>Provided that the Appellate Tribunal may, after considering the merits of the application made by the assessee, pass an order of stay in any proceedings relating to an appeal filed under sub-section (1) of section 253, for a period not exceeding one hundred and eighty days from the date of such order [subject to the condition that the assessee deposits not less than twenty per cent of the amount of tax, interest, fee, penalty, or any other sum payable under the provisions of this Act, or furnishes security of equal amount in respect thereof] and the Appellate Tribunal shall dispose of the appeal within the said period of stay specified in that order:</p> <p>[Provided further that no extension of stay shall be granted by the Appellate Tribunal, where such appeal is not so disposed of within the said period of stay as specified in the order of stay, unless the assessee makes an application and has complied with the condition referred to in the first proviso and the Appellate Tribunal is satisfied that the delay in disposing of the appeal is not attributable to the assessee, so however, that the aggregate of the period of stay originally allowed and the period of stay so extended shall not exceed three hundred and sixty-five days and the Appellate Tribunal shall dispose of the appeal within the period or periods of stay so extended or allowed:]</p> <p>Provided also that if such appeal is not so disposed of within the period allowed under the first proviso or the period or periods extended or allowed under the second proviso, which shall not, in any case, exceed three hundred and sixty-five days, the order of stay shall stand vacated after the expiry of such period or periods, even if the delay in disposing of the appeal is not attributable to the assessee.</p> |

| S.No. | Case Law | Judgment |
|---------------------------------|--|--|
| 1. | Income Tax Officer v. M.K. Mohammed Kunhi (1969) 2 SCR 65 Apex Court | <p>“Section 255(5) of the Act does empower the Appellate Tribunal to regulate its own procedure, but it is very doubtful if the power of stay can be spelt out from that provision. In our opinion the Appellate Tribunal must be held to have the power to grant stay as incidental or ancillary to its appellate jurisdiction. This is particularly so when Section 220(6) deals expressly with a situation when an appeal is pending before the Appellate Assistant Commissioner, but the Act is silent in that behalf when an appeal is pending before the Appellate Tribunal. It could well be said that when Section 254 confers appellate jurisdiction, it impliedly grants the power of doing all such acts, or employing such means, as are essentially necessary to its execution and that the statutory power carries with it the duty in proper cases to make such orders for staying proceedings as will prevent the appeal if successful from being rendered nugatory.</p> <p>A certain apprehension may legitimately arise in the minds of the authorities administering the Act that if the Appellate Tribunals proceed to stay recovery of taxes or penalties payable by or imposed on the assessee as a matter of course the revenue will be put to great loss because of the inordinate delay in the disposal of appeals by the Appellate Tribunals. It is needless to point out that the power of stay by the Tribunal is not likely to be exercised in a routine way or as a matter of course in view of the special nature of taxation and revenue laws. It will only be when a strong prima facie case is made out that the Tribunal will consider whether to stay the recovery proceedings and on what conditions and the stay will be granted in most deserving and appropriate cases where the Tribunal is satisfied that the entire purpose of the appeal will be frustrated or rendered nugatory by allowing the recovery proceedings to continue during the pendency of the appeal.” at page 72</p> |
| 2. | Narang Overseas Pvt. Ltd. v. ITAT (2007) 295 ITR 22 Bombay High Court | <p>“ Did the section as it stood before the Finance Act of 2007, and after the Finance Act of 2007, exclude the power of the Tribunal to grant interim relief after the period provided in the proviso. Was it the intendement of Parliament that the Tribunal even in a case where the assessee was not at fault should be denuded of its incidental power to continue the interim relief granted and if so what mischief was it seeking to avoid. The mischief if and at all was the long delay in disposing of proceedings where interim relief had been obtained by the Assessee. The second proviso as it earlier stood, in a case when in an appeal interim relief was granted, if the appeal was not disposed off within 180 days provided that the stay shall stand vacated. The proviso as it stood could really have not have stood the test of non-arbitrariness as it would result in an appeal being defeated even if the assessee was not at fault, as in the meantime the revenue could proceed against the assets of the assessee. The proviso as introduced by the Finance Act, 2007 was to an extent to avoid the mischief of it being rendered unconstitutional. Once an appeal is provided, it cannot be rendered nugatory in cases where the assessee was not at fault. The amendment of 2007 conferred the power to extend the period of interim relief to 360 days. Parliament clearly intended that such appeals should be disposed of at the earliest.</p> |
| Together we can fight COVID-19! | | <p>STAY HOME</p> <p>Practise Social Distancing... Safety comes first!</p> |

| | | |
|-----------|--|--|
| | | <p>If that be the object the mischief which was sought to be avoided was the non disposal of the appeal during the period the interim relief was in operation. By extending the period Parliament took note of laws delay. The object was not to defeat the vested right of Appeal in an assessee, whose appeal could not be disposed off not on account of any omission or failure on his part, but either the failure of the Tribunal or acts of revenue resulting in non-disposal of the appeal within the extended period as provided. Can it then be said that the intention of Parliament by restricting the period of stay or interim relief upto 360 days had the effect of excluding by necessary intendment the power of the Tribunal to continue the interim relief. Would not reading the power not to continue the power to continue interim relief in cases not attributable to the acts of the assessee result in holding that such a provision would be unreasonable. Could Parliament have intended to confer the remedy of an Appeal by denying the incidental power of the Tribunal to do justice. In our opinion for reasons already discussed it would not be possible to so read it. It would not be possible on the one hand to hold that there is a vested right of an appeal and on the other hand to hold that there is no power to continue the grant of interim relief for no fault of the assessee by divesting the incidental power of the Tribunal to continue the interim relief. Such a reading would result in such an exercise being rendered unreasonable and violative of Article 14 of the Constitution. Courts must, therefore, construe and/or give a construction consistent with the constitutional mandate and principle to avoid a provision being rendered unconstitutional.” at page 30-31</p> |
| 3. | <p>Commissioner of Customs & Central Excise v. Kumar Cotton Mills (2005) 13 SCC 296</p> <p>Apex Court</p> | <p>“ We are of the respectful view that the law as enunciated in Kumar Cotton Mills Pvt. Ltd. (supra) should also apply to the construction of the third proviso as introduced in section 254(2A) by the Finance Act, 2007. The power to grant stay or interim relief being inherent or incidental is not defeated by the provisos to the sub-section. The third proviso has to be read as a limitation on the power of the Tribunal to continue interim relief in case where the hearing of the Appeal has been delayed for acts attributable to the assessee. It cannot mean that a construction be given that the power to grant interim relief is denuded even if the acts attributable are not of the assessee but of the revenue or of the Tribunal itself. The power of the Tribunal, therefore, to continue interim relief is not overridden by the language of the third proviso to section 254(2A). This would be in consonance with the view taken in Kumar Cotton Mills Pvt. Ltd. (supra). There would be power in the Tribunal to extend the period of stay on good cause being shown and on the Tribunal being satisfied that the matter could not be heard and disposed of for reasons not attributable to the assessee.”</p> |
| 4. | <p>Commissioner of Income Tax v. M/s Maruti Suzuki (India) Ltd. (2014) 362 ITR 215</p> <p>Delhi High Court</p> | <p>“In view of the aforesaid discussion, we have reached the following conclusion:-</p> <p>(i) In view of the third proviso to Section 254(2A) of the Act substituted by Finance Act, 2008 with effect from 1st October, 2008, tribunal cannot extend stay beyond the period of 365 days from the date of first order of stay.</p> <p>(ii) In case default and delay is due to lapse on the part of the Revenue, the tribunal is at liberty to conclude hearing and decide the appeal, if there is likelihood that the third proviso to Section 254(2A) would come into operation.</p> |

| | | |
|-----------|--|---|
| | | <p>(iii) Third proviso to Section 254(2A) does not bar or prohibit the Revenue or departmental representative from making a statement that they would not take coercive steps to recover the impugned demand and on such statement being made, it will be open to the tribunal to adjourn the matter at the request of the Revenue.</p> <p>(iv) An assessee can file a writ petition in the High Court pleading and asking for stay and the High Court has power and jurisdiction to grant stay and issue directions to the tribunal as may be required. Section 254(2A) does not prohibit/bar the High Court from issuing appropriate directions, including granting stay of recovery. We have not examined the constitutional validity of the provisos to Section 254(2A) of the Act and the issue is left open.” at page 231</p> |
| 5. | <p>Suraj Mall Mohta and Co. v. A.V. Visvanatha Sastri (1955) 1 SCR 448</p> <p>Apex Court</p> | <p>It is settled law that challenges to tax statutes made under Article 14 of the Constitution of India can be on grounds relatable to discrimination as well as grounds relatable to manifest arbitrariness. These grounds may be procedural or substantive in nature</p> |

4. Facts of Case in Pepsi Foods Ltd :-

- The assessee is an Indian company incorporated on 24.02.1989 and is engaged in the business of manufacture and sale of concentrates, fruit juices, processing of rice and trading of goods for exports.
- The assessee is a group company of the multi-national Pepsico Inc., a company incorporated and registered in the United States of America.
- The assessee-company merged with Pepsico India Holdings Pvt. Ltd. w.e.f. 01.04.2010, in terms of a scheme of arrangement duly approved by the Hon'ble Punjab and Haryana High Court.
- A return of income was filed for the assessment year 2008-2009 and a final assessment order passed which was adverse to the assessee.
- Aggrieved, assessee filed an appeal before ITAT.
- A stay of the operation of the order of the assessing officer was granted by the Tribunal for a period of six months which was further extended to 365 days.
- The assessee, apprehending coercive action from the Revenue, filed a writ petition before the Delhi High Court on 21.05.2014 challenging the constitutional validity of the third proviso to Section 254(2A) of the Income Tax Act.
- The Delhi High Court struck down that part of the third proviso to Section 254(2A) of the Income Tax Act which did not permit the extension of a stay order beyond 365 days even if the assessee was not responsible for delay in hearing the appeal.
- The Revenue thereafter applied to Apex Court for special leave under Article 136.



5. Apex Court :-

As per Section 261 any person aggrieved by decision of Honorable High Court, can file appeal in any case which the High Court certifies to be a fit one for appeal to the Supreme Court before Honorable Apex Court .

a) Issues before the Apex Court :-

- Whether third proviso to Section 254(2A) of the Income Tax Act, 1961 (hereinafter referred to as “Income Tax Act”) is constitutional valid?

| S.No. | Issues | Assessee's Contention | Department's Contention |
|-------|--|--|--|
| 1. | Stay Order – Discriminatory or Automatic | <p>a. That once discretionary relief has been granted based upon a strong prima facie case, balance of convenience, etc. it would be wholly arbitrary and discriminatory that such relief be vacated automatically without reference to whether it is the assessee who is prolonging the appellate proceedings</p> <p>b. Once there is a vested right of appeal, there is a right to obtain a stay which, once obtained, cannot be vacated without dilatory tactics on the part of the Appellant being found against the Appellant</p> | <p>a. There is no right to stay of a judgment in an appellate proceeding as such stay is dependent upon the discretion of the Appellate Court</p> <p>b. The discretion having been exercised once would not mean that automatic extensions of the same could be granted despite a reasonable period having gone-by</p> |
| 2. | Constitutional Validity as per Article 14 of the Constitution of India | <p>a. That discriminatory taxation has been struck down under Article 14 of the Constitution of India. That the State cannot take shelter under a “policy”, if the policy or object laid down in the statutory provision is itself arbitrary or discriminatory</p> <p>b. That even in interpreting a tax statute, though equitable considerations are not to be given effect, yet they are not wholly irrelevant when the constitutional validity of the provision is itself challenged</p> | <p>a. Discretionary remedy of a stay is part and parcel of the right to appeal which itself is a statutory right, and can be taken away by the legislature</p> <p>b. Article 14 of the Constitution of India is not to be applied mechanically as a far greater freedom in the joints is given qua tax legislation and so long as the State has laid down a valid policy which it has followed without singling out anybody, no discrimination can possibly ensue</p> <p>c. That equitable considerations and arguments based on hardship are out of place when it comes to tax statutes, which must be read literally</p> |

c) Apex Court Ruling:-

- Since the object of the 3rd proviso to s. 254(2A) is the automatic vacation of a stay that has been granted on the completion of 365 days, whether or not the assessee is responsible for the delay caused in hearing the appeal, such object being itself discriminatory, is liable to be struck down as violating Article 14 of the Constitution of India. Also, the said proviso would result in the automatic vacation of a stay upon the expiry of 365 days even if the Appellate Tribunal could not take up the appeal in time for no fault of the assessee. Further, vacation of stay in favour of the revenue would ensue even if the revenue is itself responsible for the delay in hearing the appeal. In this sense, the said proviso is also manifestly arbitrary being a provision which is capricious, irrational and disproportionate so far as the assessee is concerned (Para 17)



2. The expression “permissible” policy of taxation would refer to a policy that is constitutionally permissible. If the policy is itself arbitrary and discriminatory, such policy will have to be struck down. (Para 22)

3. Consequently, the third proviso to s. 254(2A) will now be read without the word “even” and the words “is not” after the words “delay in disposing of the appeal”. Any order of stay shall stand vacated after the expiry of the period or periods mentioned in the Section only if the delay in disposing of the appeal is attributable to the assessee. (Para 25)

6. Conclusion :-

Section 254(2A) of Income Tax Act 1961 empower the Tribunal to decide the appeal within 4 years, as far as possible & on the other hand to safeguard the interest of assessee, it empower the tribunal to grant stay only upto 365 days.

That in case appeal is not decided within 365 days not due to assessee, the stay will be vacated & in this circumstances provision of stay will be nullify & to consider this event Honorable Apex Court has amended third provision to give proper relief of stay to the assessee.

It is welcome judgment by Honorable Apex Court.

*Sources

- <http://itatonline.org/archives/main/>
- <http://www.incometaxindia.gov.in/Pages/acts/income-tax-act.aspx>

This Article is just analysis of recent Judgment and is not to be construed as any form of legal opinion whatsoever. Readers are requested to go through the Judgment in detailed for more/better understanding.





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1. In Brief :-

This article being Gist of recent important verdicts by Honorable Apex Court, High Court and ITAT on various laws .



2. Verdicts – Apex Court :-

| S. No. | Verdict | Relevant Section | In Brief |
|--------|--------------------------|------------------|---|
| 1. | DCIT vs. Pepsi Foods Ltd | 254(2A) | S. 254(2A) Stay by ITAT: Since the object of the 3rd proviso to s. 254(2A) is the automatic vacation of a stay that has been granted on the completion of 365 days, whether or not the assessee is responsible for the delay caused in hearing the appeal, such object being itself discriminatory, is liable to be struck down as violating Article 14 of the Constitution of India. Also, the said proviso would result in the automatic vacation of a stay upon the expiry of 365 days even if the Appellate Tribunal could not take up the appeal in time for no fault of the assessee. Further, vacation of stay in favour of the revenue would ensue even if the revenue is itself responsible for the delay in hearing the appeal. In this sense, the said proviso is also manifestly arbitrary being a provision which is capricious, irrational and disproportionate so far as the assessee is concerned. Consequently, the third proviso to s. 254(2A) will now be read without the word “even” and the words “is not” after the words “delay in disposing of the appeal”. Any order of stay shall stand vacated after the expiry of the period or periods mentioned in the Section only if the delay in disposing of the appeal is attributable to the assessee. |

3. Verdicts – High Court :-

| S. No. | Verdict | Relevant Section | In Brief |
|--------|---|------------------|---|
| 3. | Tata Communications Ltd vs. UOI (Bombay High Court) | 245 | S. 245 Adjustment of Refund: The Dept has not complied with the requirements of s. 245 of the Act. It is difficult to appreciate the stand of the Dept that the order passed by the high court would not cover/operate over the matters and orders passed by the ITAT, Union of India being not a party to the matter. Such a justification from and the approach of, the authorities is difficult to be approved of which is not in fitness of stature, especially of the state department, which is supposed to act like a model litigant (All imp judgements on s. 245 referred) |

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| S. No. | Verdict | Relevant Section | In Brief |
|--------|---|------------------|--|
| 1. | DCIT vs. Ozone India Ltd (ITAT Ahmedabad) | 56(2)(viib) | S. 56(2) (viib): The object of s. 56(2)(viib) is to tax excessive share premium received unjustifiably by private companies on issue of shares without carrying underlying value. However, shares issued to shareholders of an amalgamating company in terms of a scheme of amalgamation does not fall within the sweep of the deeming provisions of s. 56(2) (viib). The so-called excess value of assets vested on amalgamation cannot be notionally termed as premium over the face value for the purposes of the deeming provision (AS-14 issued by the ICAI & CBDT Circular No 3/2012 dated 12-6-2012 referred) |

5. Conclusion :-

To conclude, we should always focus/be in touch with regular Amendments/Case Laws from Apex Court, High Courts and Tribunal. This will help us in understanding the Law better and guide us how to interpret the Law before Judiciary.

Keep Updating!!!

*Sources

- <http://itatonline.org/archives/main/>

Disclaimer: - This Article is just brief of recent Judgment and is not to be construed as any form of legal opinion whatsoever. Readers are requested to go through the Judgment in detailed for more/better understanding.



Updates in Relation to Direct Taxes

Brief Note



This is Gist of all important updates during **May 2021** relating to circulars, notifications, miscellaneous communications & press releases from Income Tax Department and advisory communications to the best of our Knowledge and sources* in brief. However readers are advised to read the relevant in details for better understanding.

1. Income Tax Act 1961 – Notifications :-

| Notification No. | Dated | Heading | In Brief | Link to Read Full |
|---|----------------------|--|---|---|
| 41 /2021/ F. No. 370142/11/2 018-TPL | 03 rd May | Income-tax (13th Amendment) Rules, 2021 | 11UD. Thresholds for the purposes of significant economic presence. — (1) For the purposes of clause (a) of Explanation 2A to clause (i) of sub-section (1) of section 9, the amount of aggregate of payments arising from transaction or transactions in respect of any goods, services or property carried out by a nonresident with any person in India, including provision of download of data or software in India during the previous year, shall be two crore rupees | Click here to Read |
| 42/2021 F. No. 370133/08/2 020-TPL | 04 th May | Income-tax (14th Amendment) Rules, 2021 | In exercise of the powers conferred by clause (d) of sub-section (8) of section 139A and clause (ii) of sub-section (7) of section 206AA read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, as specified | Click here to Read |
| 43/2021/ F. No. 370133/17/2 020-TPL | 04 th May | Rule 11AA of the Rules and clause (i) of sub-rule (1) , sub-rule (5) and sub-rule (6) of rule 17A of the Rules | In exercise of powers conferred by sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43of 1961) (hereinafter referred to as the “Act”), the Central Government hereby specifies the pension fund, namely, the Caisse de dépôt et placement du Québec, (hereinafter referred to as “the assessee”) as the specified person for the purposes of the said clause in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfillment of the certain conditions | Click here to Read |
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| | | | | |
|--|----------------------|--|---|------------------------------------|
| 44/2021/ F. No. 370142/12/2 021-TPL | 04 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 | In exercise of powers conferred by sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961(43 of 1961) (hereinafter referred to as the “Act”), the Central Government hereby specifies the pension fund, namely, the CDPQ Infrastructures Asia III Inc., (hereinafter referred to as “the assessee”) as the specified person for the purposes of the said clause in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfillment of the certain conditions | Click here to Read |
| 45/2021/ F. No. 370142/48/2 020-TPL | 04 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 | In exercise of powers conferred by sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961(43 of 1961) (hereinafter referred to as the “Act”), the Central Government hereby specifies the pension fund, namely, the Ivanhoe Logistics India Inc., (hereinafter referred to as “the assessee”) as the specified person for the purposes of the said clause in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfillment of the certain conditions | Click here to Read |
| 46/2021/ F. No. 370142/41/2 020-TPL | 04 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 | In exercise of powers conferred by sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (hereinafter referred to as the “Act”), the Central Government hereby specifies the pension fund, namely, the CDPQ Fixed Income XI Inc., (hereinafter referred to as “the assessee”) as the specified person for the purposes of the said clause in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfillment of the certain conditions | Click here to Read |

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|---|----------------------|--|---|------------------------------------|
| 50/2021/F. No.370142/14/2021-TPL | 05 th May | Income tax (15th Amendment), Rules, 2021 | In exercise of the powers conferred by clause (5) of section 10 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct taxes hereby makes the certain rules further to amend the Income-tax Rules, 1962 | Click here to Read |
| 51/2021/ F. No. 370142/43/2020-TPL | 05 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 | In exercise of the powers conferred by sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the "Act"), the Central Government hereby specifies the sovereign wealth fund, namely, the Bricklayers Investment Pte. Ltd., (hereinafter referred to as "the assessee") as the specified person for the purposes of the said clause in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions | Click here to Read |
| 52/2021/ F. No. 370142/42/2020-TPL | 05 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 | In exercise of the powers conferred by sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the "Act"), the Central Government hereby specifies the sovereign wealth fund, namely, the Anahera Investment Pte. Ltd., (hereinafter referred to as "the assessee") as the specified person for the purposes of the said clause in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions | Click here to Read |
| 53/2021/ F. No. 370142/45/2020-TPL | 05 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 | In exercise of the powers conferred by sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the "Act"), the Central Government hereby specifies the sovereign wealth fund, namely, the Dagenham Investment Pte. Ltd., (hereinafter referred to as "the assessee") as the specified person for the purposes of the said clause in respect of the investment made | Click here to Read |

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|---|----------------------|--|---|------------------------------------|
| | | | by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions | |
| 54/2021/ F. No. 370142/46/2 020-TPL | 05 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 | In exercise of the powers conferred by sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the "Act"), the Central Government hereby specifies the sovereign wealth fund, namely, the Stretford Investment Pte. Ltd., (hereinafter referred to as "the assessee") as the specified person for the purposes of the said clause in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions | Click here to Read |
| 57 /2021/ F. No. 370142/46/2 020-TPL | 10 th May | CORRIGENDUM | for "Stretford Investment Pte. Ltd." read "Stretford End Investment Pte. Ltd.". | Click here to Read |
| 55/2021/ F. No. 370142/44/2 020-TPL | 05 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 | In exercise of the powers conferred by sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the "Act"), the Central Government hereby specifies the sovereign wealth fund, namely, the Chiswick Investment Pte. Ltd., (hereinafter referred to as "the assessee") as the specified person for the purposes of the said clause in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions | Click here to Read |
| 47/2021/F.No. 203/31/2014 -ITA.II | 06 th May | Section 35CCC of the Income-tax Act, 1961 (43 of 1961) read with Rules 6AAD and 6AAE of the Income-tax Rules, 1962 | The CBDT, in exercise of its powers under section 35CCC of the Income-tax Act, 1961 (43 of 1961) read with Rules 6AAD and 6AAE of the Income-tax Rules, 1962 and in partial modification of the Notification No. 14/2015 dated 16.02.2015, issued vide F.No. 203/31/2014-ITA.II, hereby specifies that Sl.No.7 and Sl.No.8 of said Notification | Click here to Read |



| | | | | |
|---|----------------------|--|---|------------------------------------|
| 48/2021/ F.No. 203/30/2014 -ITA.II | 06 th May | Section 35CCC of the Income-tax Act,1961 (43 of 1961) read with Rules 6AAD and 6AAE of the Income-tax Rules,1962 | The Central Board of Direct Taxes, in exercise of its powers under section 35CCC of the Income-tax Act,1961 (43 of 1961) read with Rules 6AAD and 6AAE of the Income-tax Rules,1962 and in partial modification of the Notification No. 15/2015 dated 16.02.2015, issued vide F.No. 203/30/2014-ITA.II, hereby specifies that Sl.No.7 and Sl.No.8 of said Notification | Click here to Read |
| 49/2021/F. No. 203/29/2014 -ITA.II | 06 th May | Section 35CCC of the Income-tax Act,1961 (43 of 1961) read with Rules 6AAD and 6AAE of the Income-tax Rules,1962 | The Central Board of Direct Taxes, in exercise of its powers under section 35CCC of the Income-tax Act,1961 (43 of 1961) read with Rules 6AAD and 6AAE of the Income-tax Rules,1962 and in partial modification of the Notification No. 16/2015 dated 16.02.2015, issued vide F.No. 203/29/2014-ITA.II, hereby specifies that Sl.No.7 and Sl.No.8 of said Notification | Click here to Read |
| 56/2021/F. No. 225/58/2021 -ITA.II | 07 th May | Section 269ST of the Income-tax Act,1961 | The Central Government, in exercise of powers conferred by clause (iii) of Proviso to Section 269ST of the Income-tax Act, 1961, hereby specifies Hospitals, Dispensaries, Nursing Homes, Covid Care Centres or similar other medical facilities providing Covid treatment to patients for the purpose of Section 269ST of the Income-tax Act,1961 for payment received in cash during 01.04.2021 to 31.05.2021, on obtaining the PAN or AADHAAR of the patient and the payee and the relationship between the patient and the payee by such Hospitals, Dispensaries, Nursing Homes, Covid Care Centres or similar other medical facilities | Click here to Read |
| 59/2021/ F. No. 225/58/2021 -ITA.-II | 10 th May | CORRIGENDUM | “payee” is to be read as “payer” | Click here to Read |
| 58 /2021/ F. No. 370142/38/2 020-TPL | 10 th May | CORRIGENDUM | In the notification of the Government of India, in the Ministry of Finance, (Department of Revenue), (Central Board of Direct Taxes) No. 35/2021 in F.No. 370142/38/2020-TPL, dated the 22nd April, 2021, published vide number S.O. 1673(E) dated the 22nd April, 2021 in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii), at page 1, in paragraph 1, in line 3 and 4 - for “Canada Pension Plan Investment Board Private Holdings (4) Inc.” read “CPP Investment Board Private Holdings (4) Inc. | Click here to Read |



**60/2021/F.
 No.
 285/09/2018
 -IT(Inv.V)
 CBDT**

11th May

Section 280A of the Income Tax Act, 1961 (43 of 1961) and section 84 of the Black Money (Undisclosed Foreign Income and Assets)

In exercise of the powers conferred by sub-section (1) of section 280A of the Income tax Act, 1961 (43 of 1961) and section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015), the Central Government, in consultation with the Chief Justice of the Gauhati High Court, hereby designates the Court of Munsiff No. 3-cum-Judicial Magistrate, First Class, Kamrup (M), Guwahati as the Special Court for the States of Assam, Nagaland, Mizoram and Arunachal Pradesh for the purposes of section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015

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**61/2021/F.
 No.
 285/04/2019
 -IT(Inv.V)
 CBDT**

11th May

Section 280A of the Income-tax Act, 1961 (43 of 1961) and section 84 of the Black Money (Undisclosed Foreign Income and Assets)

In exercise of the powers conferred by sub-section (1) of section 280A of the Income-tax Act, 1961 (43 of 1961) and section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015), the Central Government, in consultation with the Chief Justice of the High Court of Tripura, hereby designates the Court of the Additional Chief Judicial Magistrate, West Tripura as the Special Court for the State of Tripura for the purposes of section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015

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**62/2021/ F.
 No.
 370142/47/2
 020-TPL**

13th May

Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961

In exercise of the powers conferred by sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961(43 of 1961) (hereinafter referred to as the "Act"), the Central Government hereby specifies the sovereign wealth fund, namely, the CDC Group Plc., (hereinafter referred to as "the assessee") as the specified person for the purposes of the said clause in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024

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**63/2021/ F.
 No.
 370142/37/2
 020-TPL**

13th May

Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961

In exercise of powers conferred by sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the "Act"), the Central

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| | | | | |
|--|----------------------|---|---|------------------------------------|
| | | | Government hereby specifies the sovereign wealth fund, namely, the Ministry of Economy and Finance (of the Republic of Korea), (hereinafter referred to as “the assessee”) as the specified person for the purposes of the said clause in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 | |
| 64/2021/ F. No. 370142/40/2 020-TPL | 13 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 | In exercise of powers conferred by sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the “Act”), the Central Government hereby specifies the pension fund, namely, the Public Sector Pension Investment Board, (hereinafter referred to as “the assessee”) as the specified person for the purposes of the said clause in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfillment of the certain conditions | Click here to Read |
| 65/2021/ F. No. 370142/15/2 021-TPL | 13 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) | In exercise of powers conferred by sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the “Act”), the Central Government hereby specifies the pension fund, namely, the Government Employees Superannuation Board, (hereinafter referred to as “the assessee”) as the specified person for the purposes of the said clause in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfillment of the certain conditions | Click here to Read |
| 66/2021/ F. No. 370142/13/2 021-TPL | 13 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) | In exercise of powers conferred by sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the “Act”), the Central | Click here to Read |

| | | | | |
|--|----------------------|---|---|------------------------------------|
| | | | Government hereby specifies the pension fund, namely, the OMERS Administration Corporation, (hereinafter referred to as “the assessee”) as the specified person for the purposes of the said clause in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 | |
| 67 /2021/ F. No. 370142/18/2 021-TPL | 17 th May | Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) | In exercise of the powers conferred by sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the “Act”), the Central Government hereby specifies the pension fund, namely, the Indo-Infra Inc., (hereinafter referred to as “the assessee”) as the specified person for the purposes of the said clause in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfillment of the certain conditions | Click here to Read |
| 05 of 2021 | 24 th May | Procedure for exercise of option under sub-section (1) of section 245M and intimation thereof by furnishing and upload 01 Form No. 34BB under sub-rule (1) 01 Rule 44DA of Income-tax Rules, 1962 | In exercise of the powers conferred by the Department 01 Revenue, Ministry of Finance, under sub-rule (3) and sub-rule (4) 01 Rule 44DA of the Income-tax Rules, 1962 ('the Rules'), the Director General of Income Tax (Systems) hereby specify the certain procedures | Click here to Read |
| 68/2021/F. No.370142/1 6 /2021-TPL | 24 th May | Income- tax (16th Amendment) Rules, 2021 | In exercise of the powers conferred by section 50B read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the certain rules further to amend the Income-tax Rules, 1962 | Click here to Read |
| 225/53/2020 - ITA.II/Notification No.69 /2021 | 31 st May | Section 138 of the Income tax Act, 1961 | In pursuance of sub-clause (ii) of clause (a) of sub-section (1) of Section 138 of the Income Tax Act, 1961, the Central Government specifies the Nodal officers of the following State Police Agencies for the purposes of the said clause in connection with sharing of information through National Intelligence Grid (NATGRID) | Click here to Read |



2. Income Tax Act 1961 – Circulars :-

| Circular No. | Dated | Heading | In Brief | |
|------------------|----------------------|--|--|------------------------------------|
| 9 of 2021 | 20 th May | Subject: Extension of time limits of certain compliances to provide relief to taxpayers in view of the severe pandemic | <p>1) The Statement of Financial Transactions (SFT) for the Financial Year 2020- 21 , required to be furnished on or before 31 st May 2021 under Rule 114E of the Income-tax Rules, 1962 (hereinafter referred to as "the Rules") and various notifications issued thereunder, may be furnished on or before 30th June 2021;</p> <p>2) The Statement of Reportable Account for the calendar year 2020, required to be furnished on or before 31 st May 2021 under Rule 114G of the Rules, may be furnished on or before 30th June 2021 ;</p> <p>3) The Statement of Deduction of Tax for the last quarter of the Financial Year 2020-21 , required to be furnished on or before 31 st May 2021 under Rule 31A of the Rules, may be furnished on or before 30th June 2021 ;</p> <p>4) The Certificate of Tax Deducted at Source in Form No 16, required to be furnished to the employee by 15th June 2021 under Rule 31 of the Rules, may be furnished on or before 15th July 2021 ;</p> <p>5) The TDSITCS Book Adjustment Statement in Form No 24G for the month of May 2021 , required to be furnished on or before 15th June 2021 under Rule 30 and Rule 37CA of the Rules, may be furnished on or before 30th June 2021 ;</p> <p>6) The Statement of Deduction of Tax from contributions paid by the trustees of an approved superannuation fund for the Financial Year 2020-21 , required to be sent on or before 31 st May 2021 under Rule 33 of the Rules, may be sent on or before 30th June 2021;</p> <p>7) The Statement of Income paid or credited by an investment fund to its unit holder in Form No 64D for the Previous Year 2020-21 , required to be furnished on or before 15th June 2021 under Rule 12CB of the Rules, may be furnished on or before 30th June 2021 ;</p> | Click here to Read |

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| | | | <p>8) The Statement of Income paid or credited by an investment fund to its unit holder in Form No 64C for the Previous Year 2020-21 , required to be furnished on or before 30th June 2021 under Rule 12CB of the Rules, may be furnished on or before 15th July 2021 ;</p> <p>9) The due date of furnishing of Return of Income for the Assessment Year 2021-22, which is 31 st July 2021 under sub-section (1) of section 139 of the Act, is extended to 30th September 2021 ;</p> <p>10) The due date of furnishing of Report of Audit under any provision of the Act for the Previous Year 2020-21, which is 30th September 2021, is extended to 31 st October 2021 ;</p> <p>11) The due date of furnishing Report from an Accountant by persons entering into international transaction or specified domestic transaction under section 92E of the Act for the Previous Year 2020-21, which is 31st October 2021 , is extended to 30th November 2021 ;</p> <p>12) The due date of furnishing of Return of Income for the Assessment Year 2021-22, which is 31 st October 2021 under Sub-section (1) of section 139 of the Act, is extended to 30th November 2021;</p> <p>13) The due date of furnishing of Return of Income for the Assessment Year 2021-22, which is 30th November 2021 under sub-section (1) of section 139 of the Act, is extended to 31st December 2021;</p> <p>14) The due date of furnishing of belated/revised Return of Income for the Assessment Year 2021-22, which is 31 st December 2021 under sub-section (4)/sub-section (5) of section 139 of the Act, is extended to 31 st January 2022.</p> <p>Clarification 1: It is clarified that the extension of the dates as referred to in clauses (9), (12) and (13) above shall not apply to Explanation 1 to section 234A of the Act, in cases where the amount of tax on the total income as reduced by the amount as specified in clauses (i) to (vi) of sub-section (1) of that section exceeds one lakh rupees</p> | |
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| | 25 th May | Clarification regarding the limitation time for filing of appeals before the CIT(Appeals) under the Income-tax Act, 1961 (the Act) | The Central Board of Direct Taxes, clarifies that if different relaxations are available to the taxpayers for a particular compliance, the taxpayer is entitled to the relaxation which is more beneficial to him. Thus, for the purpose of counting the period(s) of limitation for filing of appeals before the CIT(Appeals) under the Act, the taxpayer is entitled to a relaxation which is more beneficial to him and hence the said limitation stands extended till further orders as ordered by the Hon'ble Supreme Court in <i>Suo Motu Writ Petition (Civil) NO.3 of 2020</i> vide order dated 2y th April 2021 | |
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3. CBDT Press Releases :-

| Dated | Heading | In Brief | |
|----------------------|---|--|------------------------------------|
| 01 st May | Government extends timelines of certain compliances in light of the severe pandemic | <p>In the light of multiple representations received (supra) and to mitigate the difficulties being faced by various stakeholders, the Central Board of Direct Taxes (CBDT) has, under section 119 of the Income-tax Act, 1961(the Act), provided the following relaxation in respect of compliances by the taxpayers:</p> <p>a) Appeal to Commissioner (Appeals) under Chapter XX of the Act, for which the last date of filing under that Section is 1st April, 2021 or thereafter, may be filed within the time provided under that Section or by 31st May, 2021, whichever is later;</p> <p>b) Objections to Dispute Resolution Panel (DRP) under Section 144C of the Act, for which the last date of filing under that Section is 1st April, 2021 or thereafter, may be filed within the time provided under that Section or by 31st May, 2021, whichever is later;</p> <p>c) Income-tax return in response to notice under Section 148 of the Act, for which the last date of filing of return of income under the said notice is 1st April, 2021 or thereafter, may be filed within the time allowed under that notice or by 31st May, 2021, whichever is later;</p> <p>d) Filing of belated return under sub-section (4) and revised return under sub-section (5) of Section 139 of the Act, for Assessment Year 2020-21, which was required to be filed on or before 31st March, 2021, may be filed on or before 31st May, 2021;</p> <p>e) Payment of tax deducted under Section 194-IA, Section 194-IB and Section 194M of the Act, and filing of challan-cum-statement for such tax deducted, which are required to be paid and furnished by 30th April, 2021(respectively) under Rule 30 of the Income-tax Rules, 1962, may be paid and furnished on or before 31st May, 2021;</p> | Click here to Read |

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|-----------------|--|--|------------------------------------|
| | | f) Statement in Form No. 61, containing particulars of declarations received in Form No.60, which is due to be furnished on or before 30th April, 2021, may be furnished on or before 31st May, 2021 | |
| 01st May | Government extends certain timelines in light of severe pandemic | <p>(i) The Statement of Financial Transactions(SFT) for the Financial Year 2020- 21, required to be furnished on or before 31st May, 2021 under Rule 114E of the Income-tax Rules, 1962 (hereinafter referred to as “the Rules”) and various notifications issued thereunder, may be furnished on or before 30th June, 2021;</p> <p>(ii) The Statement of Reportable Account for the calendar year 2020, required to be furnished on or before 31st May, 2021 under Rule 114G of the Rules, may be furnished on or before 30th June, 2021;</p> <p>(iii) The Statement of Deduction of Tax for the last quarter of the Financial Year 2020-21, required to be furnished on or before 31st May, 2021 under Rule 31A of the Rules, may be furnished on or before 30th June, 2021;</p> <p>(iv) The Certificate of Tax Deducted at Source in Form No 16, required to be furnished to the employee by 15th June, 2021 under Rule 31 of the Rules, may be furnished on or before 15th July, 2021;</p> <p>(v) The TDS/TCS Book Adjustment Statement in Form No 24Gfor the month of May 2021, required to be furnished on or before 15th June, 2021 under Rule 30 and Rule 37CA of the Rules, may be furnished on or before 30th June, 2021;</p> <p>(vi) The Statement of Deduction of Tax from contributions paid by the trustees of an approved superannuation fund for the Financial Year 2020-21, requiredto be sent on or before 31st May, 2021 under Rule 33 of the Rules, may be sent on or before 30th June, 2021;</p> <p>(vii) The Statement of Income paid or credited by an investment fund to its unit holder in Form No 64D for the Previous Year 2020-21, required to be furnished on or before 15th June, 2021 under Rule 12CB of the Rules, may be furnished on or before 30th June, 2021;</p> <p>(viii) The Statement of Income paid or credited by an investment fund to its unit holder in Form No 64C for the Previous Year 2020-21, required to be furnished on or before 30th June, 2021 under Rule 12CB of the Rules, may be furnished on or before 15th July, 2021;</p> <p>(ix) The due date of furnishing of Return of Income for the Assessment Year 2021-22, which is 31st July, 2021 under sub-section (1) of section 139 of the Act, is extended to 30th September, 2021;</p> <p>(x) The due date of furnishing of Report of Audit under any provision of the Act for the Previous Year 2020-21, which is 30th September, 2021, is extended to 31st October, 2021;</p> <p>(xi) The due date of furnishing Report from an Accountant by persons entering into international transaction or specified domestic transaction under</p> | Click here to Read |

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|----------------------------|--|---|------------------------------------|
| | | <p>section 92E of the Act for the Previous Year 2020-21, which is 31st October, 2021, is extended to 30th November, 2021;</p> <p>(xii) The due date of furnishing of Return of Income for the Assessment Year 2021-22, which is 31st October, 2021 under sub-section (1) of section 139 of the Act, is extended to 30th November, 2021;</p> <p>(xiii) The due date of furnishing of Return of Income for the Assessment Year 2021-22, which is 30th November, 2021 under sub-section (1) of section 139 of the Act, is extended to 31st December, 2021;</p> <p>(xiv) The due date of furnishing of belated/revised Return of Income for the Assessment Year 2021-22, which is 31st December, 2021 under sub-section (4)/sub-section (5) of section 139 of the Act, is extended to 31st January, 2022</p> | |
| 20th May | Launch of new e-filing Portal of the Income Tax Department - Non-availability of e-filing services from 01.06.2021 to 06.06.2021 | <p>New taxpayer friendly portal integrated with immediate processing of Income Tax</p> <ul style="list-style-type: none"> • Returns(ITRs) to issue quick refunds to taxpayers; All interactions and uploads or pending actions will be displayed on a single • dashboard for follow-up action by taxpayer; Free of cost ITR preparation software available online and offline with interactive • questions to help taxpayers fill ITR even without any tax knowledge, with prefilling, for minimizing data entry effort; New call center for taxpayer assistance for immediate answers to taxpayer • queries with FAQs, Tutorials, Videos and chatbot/live agent; All key portal functions on desktop will be available on Mobile App which will be • enabled subsequently for full anytime access on mobile network; New online tax payment system on new portal will be enabled subsequently with • multiple new payment options using netbanking, UPI, Credit Card and RTGS/NEFT from any account of taxpayer in any bank, for easy payment of taxes | Click here to Read |

4. CBDT Relevant Miscellaneous Communications :-

| Dated | Heading | In Brief | |
|----------------------------|--|--|------------------------------------|
| 31st May | Order under section 138(1Ha) of Income-tax Act, 1961 | To facilitate the process of furnishing and receiving information, Memorandum of Understanding ('MoU') entered between Director General of Income-tax (Systems) and NATGRID shall be suitably amended to include the State Police Agencies notified by the Central Government in connection with NATGRID Project | Click here to Read |

Sources * <http://www.incometaxindia.gov.in>



This is Gist of all important updates during **May 2021** relating to circulars, notifications, from GST Department to the best of our Knowledge and sources* in brief. However readers are advised to read the relevant in details for better understanding.

1. Central Tax - Notifications :-

| Notification No. | Dated | Heading | Link to Read Full |
|------------------|----------------------|---|------------------------------------|
| 08/2021 | 01 st May | Seeks to provide relief by lowering of interest rate for the month of March and April, 2021 | Click here to Read |
| 09/2021 | 01 st May | Seeks to amend notification no. 76/2018-Central Tax in order to provide waiver of late fees for specified taxpayers and specified tax periods | Click here to Read |
| 10/2021 | 01 st May | Seeks to extend the due date for filing FORM GSTR-4 for financial year 2020-21 to 31.05.2021 | Click here to Read |
| 11/2021 | 01 st May | Seeks to extend the due date for furnishing of FORM ITC-04 for the period Jan-March, 2021 till 31st May, 2021 | Click here to Read |
| 12/2021 | 01 st May | Seeks to extend the due date of furnishing FORM GSTR-1 for April, 2021 | Click here to Read |
| 13/2021 | 01 st May | Seeks to make third amendment (2021) to CGST Rules | Click here to Read |
| 14/2021 | 01 st May | Seeks to extend specified compliances falling between 15.04.2021 to 30.05.2021 till 31.05.2021 in exercise of powers under section 168A of CGST Act | Click here to Read |
| 15/2021 | 18 th May | Seeks to make fourth amendment (2021) to CGST Rules, 2017 | Click here to Read |

2. Integrated Tax - Notifications :-

| Notification No. | Dated | Heading | Link to Read Full |
|------------------|----------------------|---|------------------------------------|
| 08/2021 | 01 st May | Seeks to provide relief by lowering of interest rate for the month of March and April, 2021 | Click here to Read |

3. Union Territory Tax - Notifications :-

| Notification No. | Dated | Heading | Link to Read Full |
|------------------|----------------------|---|------------------------------------|
| 01/2021 | 01 st May | Seeks to provide relief by lowering of interest rate for the month of March and April, 2021 | Click here to Read |

4. Circulars :-

| Circular No. | Dated | Heading | Link to Read Full |
|------------------|----------------------|---|------------------------------------|
| 148/04/2021 -GST | 18 th May | Seeks to prescribe Standard Operating Procedure (SOP) for implementation of the provision of extension of time limit to apply for revocation of cancellation of registration under section 30 of the CGST Act, 2017 and rule 23 of the CGST Rules, 2017 | Click here to Read |

Sources * <https://www.cbic.gov.in>

Together we can fight
COVID-19!

STAY HOME

Practise Social Distancing...
Safety comes first!

Together we can fight
COVID-19!

STAY HOME

Practise Social Distancing...
Safety comes first!



Beautiful Garden in office premises



Use of Waste Material

Brinjal (बैंगन)

Ridged gourd (तोरी)

Lemon Tree



9Up

Flower

Rain Lily

White Flower