

**M. A. Shah & Co.'s**

Issue: June 2021

# The Compound Opinion

Published on the 7th of each month



**GOOD THINGS ARE ON THEIR WAY**

GET READY TO EXPERIENCE THE EXCITING FEATURES ON OUR NEW e-FILING PORTAL JUNE 7<sup>TH</sup> 2021 ONWARDS.

You come first, always.

Our new e-filing portal:  
[www.incometax.gov.in](http://www.incometax.gov.in)

Snapshot of the New Income Tax e-Filing portal announcement by Income Tax Department (Image Source: [incometaxindiaefiling.gov.in](http://incometaxindiaefiling.gov.in))



**M. A. Shah & Co.**

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# New Income Tax e-Filing Portal



## *The Cover Story*

The greatest highlight for this month is the launch of the new e-filing portal of Income Tax Department. On account of this development, the current e-filing portal, [www.incometaxindiaefiling.gov.in](http://www.incometaxindiaefiling.gov.in) remained unavailable for a period of 6 days, from 1st June to 6th June 2021.

The new portal is expected to be available from **7th June 2021** at [www.incometax.gov.in](http://www.incometax.gov.in).

Quoting the press release of the Central Board of Direct Taxes (CBDT), the new portal is aimed at providing taxpayer convenience and a modern, seamless experience to taxpayers, through

- ◆ New taxpayer friendly portal integrated with immediate processing of Income Tax 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 centre 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 net banking, UPI, Credit Card and RTGS/NEFT from any account of taxpayer in any bank, for easy payment of taxes.

In order to avoid any inconvenience to taxpayers, the Department had stated that it will not fix any compliance dates during this period. Further, directions have been issued to fix hearing of cases or compliances only from 10th June, 2021 onwards, to give taxpayers time to respond on the new system. If, any hearing or compliance which requires submissions online has been scheduled during this period, the same will be preponed or adjourned and the work items would be rescheduled after this period.

The full text of the press release can be found [here](#).



# Compliance Calendar - June 2021

*Don't Forget these Dates*

## JUNE 2021

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7 - Due date for deposit of TDS/TCS for May 2021	8	9	10	11	12
13	14	15	16	17	18	19
20 - GSTR-3B for May 2021	21	22	23	24	25	26 - GSTR-1 for May 2021
27	28 - GST-IFF (Optional) for May 2021	29	30 - <ul style="list-style-type: none"> <li>◆ Renewal of registration u/s 12AB, 80G, 10(23C)</li> <li>◆ Linking of Aadhaar number with PAN</li> <li>◆ Payment of tax under the Direct Tax Vivad se Vishwas Act, 2020 without additional charge</li> <li>◆ Quarterly statement of TDS for the quarter ending March 31, 2021</li> </ul>			



# Income Tax

## *Important Updates*

- ⇒ CBDT has issued a circular ([09/2021](#) dated 20th May 2021) extending the timelines for direct tax compliances for **AY 2021-22**.
- ◆ The due date for filing Income Tax Returns by taxpayers (other than those required to get their accounts audited) has been extended from 31st July 2021 to **30th September 2021**.
- ◆ The due date to furnish the audit report under Income Tax Act has been extended from 30th September 2021 to **31st October 2021** and audit report for transfer pricing cases (Section 92E) is extended from 31st October 2021 to **30th November 2021**.
- ◆ The due dates for filing Income Tax Returns by taxpayers who are required to get their accounts audited is extended from 31st October 2021 to **30th November 2021** and for Transfer Pricing cases, where audit report is to be furnished u/s 92E, from 30th November 2021 to **31st December 2021**.
- ◆ The due date to file a Belated or Revised Return has also been extended from 31st December 2021 to **31st January 2022**.
- ◆ The due date for filing quarterly Statement of TDS for Q4 of FY 2020-21 has been extended from 31st May 2021 to **30th June 2021**.

The full list of due dates extended vide the said circular can be obtained [here](#).

- ⇒ In order to address the hardships being faced by various stakeholders due to the pandemic, the government has decided to extend the time limits for passing assessment or reassessment orders u/s 153 and 153B, orders consequent to the direction of DRP, issue of notices u/s 148, processing of equalization levy u/s 168 and payment of tax under Vivad se Vishwas scheme from 30th April 2021 to **30th June 2021**.
- ⇒ The CBDT has notified new ITR Forms for the AY 2021-22 vide Notification No. [21/2021](#) in G.S.R. 242(E) dated 31-03-2021. No significant change have been made to the ITR Forms in comparison to the last year's ITR Forms. Only the bare minimum changes necessitated due to amendments in the Income-tax Act, 1961 have been made.



# Income Tax

## *Important Case Laws*

### 1. Commissioner Of Income Tax-I vs M/S Reliance Energy Ltd in Supreme Court of India.

**Issue:** Deduction under Section 80-IA of the Act not being restricted to the extent of business income only.

The Assessee, M/s. Reliance Energy Ltd. is in the business of generation of power and also deals with purchase and distribution of power. The matter in this case pertains to the deduction under Section 80-IA of the Act being allowed to the extent of 'business income' only. The claim of the Assessee that deduction under Section 80-IA should be allowed to the extent of 'gross total income' was rejected by the Assessing Officer.

The claim was partly allowed by CIT(A)-1, who reversed the order of the Assessing Officer. The order of the Appellate Authority was affirmed by the Tribunal and the High Court on this issue. Aggrieved thereby, the Revenue had come in Appeal before the Supreme Court.

The Apex court stated that "We have considered the submissions on behalf of the Revenue as it has a bearing on the interpretation of sub-section (1) of Section 80-IA of the Act. We hold that the scope of sub-section (5) of Section 80- IA of the Act is limited to determination of quantum of deduction under sub-section (1) of Section 80-IA of the Act by treating eligible business as the only source of income. Sub section (5) cannot be pressed into service for reading a limitation of the deduction under sub-section (1) only to business income."

Therefore the opinion of Revenue was set aside and the claim of revenue was dismissed.

### 2. Teleperformance Global Services Private Limited Vs ACIT in Bombay High Court

**Issue:** Notice u/s 148 & reassessment order u/s 147 passed against an amalgamated (non-existing) company is without jurisdiction.

Under order dated 11th February 2011, a scheme of amalgamation of M/s. Tecnovate Esolutions Pvt. Ltd. (for short "TSPL") with M/s. Intelnet Global Services Pvt. Ltd. was approved with effect from 1st April 2010 and since then, the aforesaid TSPL ceased to exist. Subsequently, M/s. Intelnet Global Services Pvt. Ltd. amalgamated with M/s. Serco BPO Pvt. Ltd. Thereafter there had been change in the name with effect from 11th January 2016 from M/s. Serco BPO Pvt. Ltd to M/s. Intelnet Global Services Pvt. Ltd. There had been a further

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# Income Tax

## *Important Case Laws*

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change in the name from M/s. Intelnet Global Services Pvt. Ltd to Teleperformance Global Services Pvt. Ltd. (TGSPL) with effect from 12th February 2019.

Notice u/s 148 dated 30th March 2019 was issued in the name of TSPL without realising that said company was a non-existent entity. During the course of submissions, learned senior counsel Mr. Mistri referred to the decision of the Supreme Court of India in the case of Principal Commissioner of Income Tax, New Delhi Vs. Maruti Suzuki India Ltd. Such defect cannot be treated as procedural defect and mere participation of appellant would be of no effect as there is no estoppel against law. Such a defect cannot be cured by invoking provisions under section 292B.





# Companies Act

## *Important Updates*

- ⇒ The Ministry of Corporate Affairs (MCA) has revamped its website to [MCA21 V3](#) with new functions and an easy to use layout. The objectives of the website are to:
- ◆ Enable the business community to register a company and file statutory documents quickly and easily.
  - ◆ Provide easy access to public documents.
  - ◆ Provide faster and effective resolution of public grievances.
  - ◆ Provide registration and verification of charges easily.
  - ◆ Ensure proactive and effective compliance with relevant laws and corporate governance.
  - ◆ Enable the MCA employees to deliver best-of-breed services.

The overview of the new features of MCA21 V3 Website can be obtained [here](#).

- ⇒ MCA has clarified through a circular that where a Company has contributed any amount to “PM CARES FUND” on 31st March 2020, which is over and above the minimum amount as prescribed under Section 135(5) of the Companies Act 2013 for FY 2019–20, and such excess amount (or part thereof) is offset against the requirement to be spent under CSR obligations for FY 2020-21 then the same would not be viewed as a violation.
- ⇒ Manufacturing and supply of oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19 would fall under items relating to promotion of health care, including preventive health care and disaster management, under Schedule VII of the Companies Act and would eligible for CSR expenditure.
- ⇒ MCA has notified that no additional fees shall be levied till July 31, 2021 if the due date for filing falls between April 1, 2021 to 31, May 2021 (Other than CHG-1, CHG -4 and CHG 9 Form).

# Goods and Services Tax (GST)



## *Important Updates*

- ⇒ In the 43rd GST Council meeting, Council has approved the **GST Amnesty Scheme** to be re-introduced wherein the late fee was rationalised for all taxpayers, especially for small taxpayers.
- ⇒ IGST has been exempted on import of COVID-19 treating equipment and relief materials up to 31st August 2021.
- ⇒ The timeline for filing the 'Application for Revocation of Cancellation' has been extended for those applicants, for whom the due date to file the same falls between 15 April to 29th June 2021. Now, they can file the said application till 30th June 2021.
- ⇒ As the last date of filing GSTR-1 for April 2021 has been extended up to 26th May 2021 and IFF up to 28th May 2021, the GSTR-2B for April 2021 shall be generated on 29th May 2021.
- ⇒ Waiver of interest and late fee to normal taxpayers (filing return on monthly or quarterly basis) and composition taxpayers, for the tax periods of March and April 2021.
- ⇒ The Government of India has given relaxation for the time period of GST return filing due dates along with a late fee to the taxpayers due to the second wave COVID-19 through the GST Amnesty Scheme:
  - ◆ Those who have not filed their GSTR- 3B for any month or quarter from July 2017 till April 2021 can file the return before 31st August 2021 with a late fee of Rs. 1000 per return.
  - ◆ If the tax payable in any return is Nil, then the late fee shall be Rs. 500 per such return.
- ⇒ Further, maximum late fees have been capped for delay in filing GSTR-3B/GSTR-1 for the period June 2021 and onwards:
  - ◆ If tax payable is Nil, then maximum late fees shall be Rs. 500 per return.
  - ◆ If turnover in the last year is up to Rs. 1.50 crore, then maximum late fees shall be Rs. 2000 per return.
  - ◆ If turnover in last year is up to Rs. 5 crore, then the maximum late fees shall be Rs. 5000.





# Foreign Exchange Management Act (FEMA)

## *Important Updates*

The following clause has been inserted through Reserve Bank Of India (Financial Markets Regulation Department) (Central Office) Notification dated 24th May 2021 through the **Foreign Exchange Management (Amendment) Regulations, 2021:**

In the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, in regulation 7, in clause (A), after sub-clause (ii), namely:

*“An AD in India may lend to a person resident outside India for making margin payments in respect of settlement of transactions involving Government Securities by the person resident outside India, subject to such terms and conditions as may be specified by the Reserve Bank.”*

### Explanation:

The expression ‘Government Security’ shall have the same meaning as assigned to it in Section 2(f) of Government Securities Act, 2006, and the word ‘securities’ shall be construed accordingly.



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