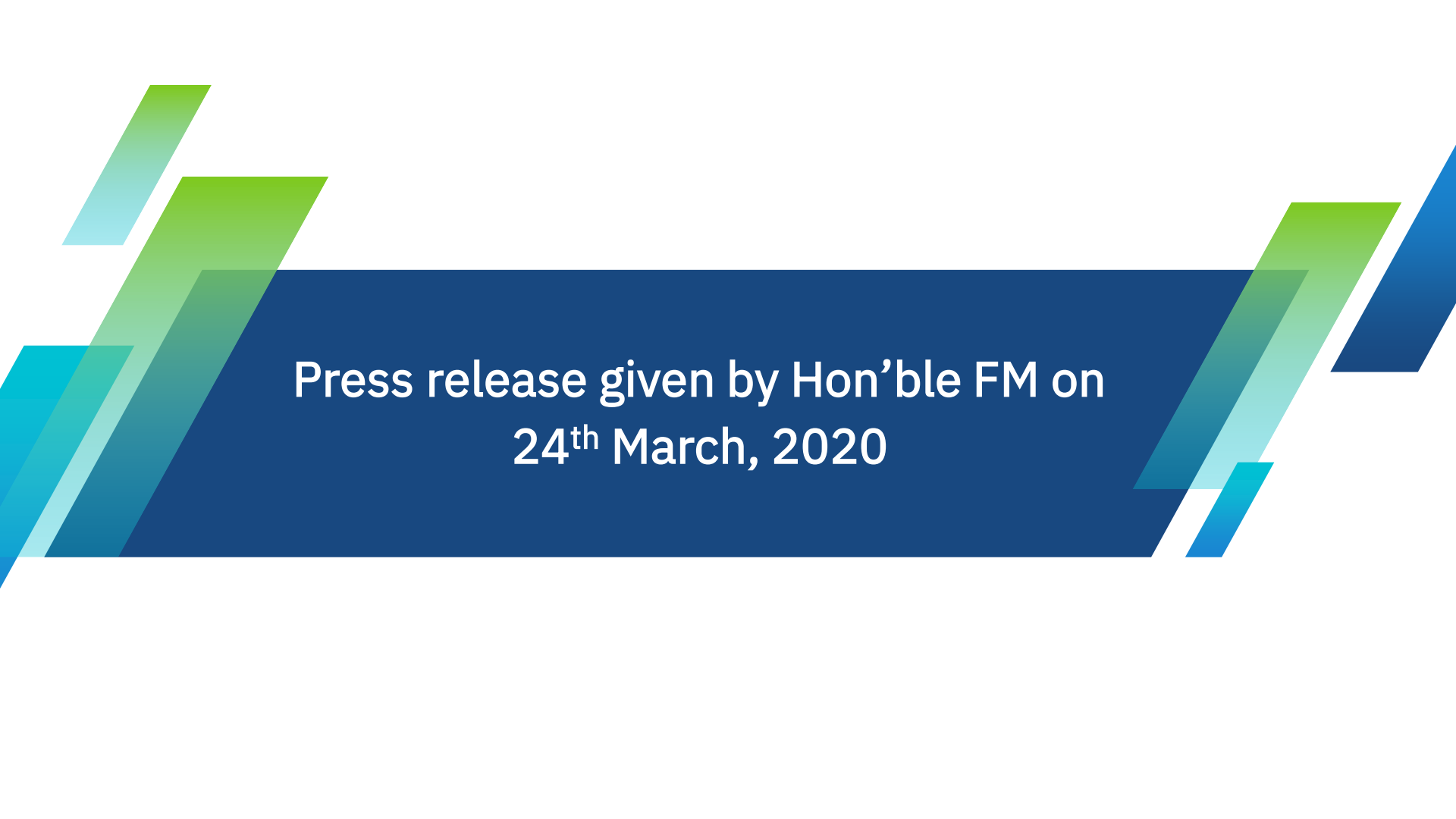




**Take away from the Hon'ble
Finance Minister's Press meet
relating to Direct Tax**

The Nationwide lockdown due to COVID-19 has substantially impacted the Economy as well as the day to day activities. Hence the Ministry of Finance and Central Board of Direct Tax has made various announcements and notifications to remove the compliance burdens and to stabilize the Economic conditions of the Country. The announcements, Notifications and Circulars are discussed in the following Categories:

1. Press Release given by the Hon'ble Finance Minister on 24th March,2020
2. Press Release given by Hon'ble Finance Minister on 13th May, 2020
- 3.Other CBDT Circulars and Notifications
- 4.Analysis of the Time Lines



Press release given by Hon'ble FM on
24th March, 2020

Reduced Interest rates on delayed payments

- For delayed payments of Advance tax, Self-Assessment Tax, Regular Tax, TDS, TCS, Equalization Levy, STT & CTT made between 20th March, 2020 and 30th June, 2020, reduced interest rate at 9% instead of 12 % or 18 % per annum (i.e. 0.75% per month instead of 1 % or 1.5 % per month) will be charged for this period. No late fee or penalty shall be charged for the delay relating to this period.

However, Interest u/s.234C at 1% for March month will be attracted if the concerned payment is not made with in 15th March, 2020

Tax payers shall be liable to Interest u/s.234B at reduced rate of 9% for the month April, 2020 to June,2020 for non-payment of Advance Tax.

Extention of Time Limit

- Aadhar-PAN linking date to be extended from 31st March, 2020 to 30th June, 2020.

S.139AA read with rule 144AAA states the due date for treating PAN as inoperative for Non-linking of Aadhar number.

Though the due date for linking is extended w/s 139AA, the due date in Rule 144AAA still stand the same as 31st March 2020. This is the issue for which the clarification is yet to be issued.

Extention of time limit

For the following where limit was expiring between 20th March, 2020 and 29th June, 2020 has been now extended to June 30, 2020.

- Issue of notice intimation, notification, approval order & sanction order
- Filing of appeal, furnishing of returns, return statement, applications, reports & any other documents,
- Any compliance by taxpayer incl. investment in savings instruments for rollover benefits under IT Act


Extention of time limit

In view of the above extension, the following shall be noted

Provisions relating to section 54 to 54GB and Chapter VI A deductions, tax saving investments or payments extended to 30th June, 2020. Deductions in respect of investments made upto 30th June, 2020 shall be available for A.Y. 2020-21 and shall not be again availed for A.Y. 2021-22

Notice u/s 143(1) for returns filed during F.Y.18-19 shall be issued upto 30/6/2020 originally it can be issued upto the end of relevant assessment year i.e. 31st March 2020.

Reopening Notice u/s 148 for the AY 2013-14 shall be issued with in 31st March 2020 is extended to 30th June 2020.



Press release given by Hon'ble FM on
13th May, 2020

Reduction in TDS rates

- In view to increase liquidity, the rate of TDS for the non-salaried payments made to residents has been reduced by 25% for the period from 14th May, 2020 to 31st March, 2021.
- Payment for contract, professional fees, interest, rent, dividend, commission, brokerage, etc. shall be eligible for this reduction.

Reduced TDS rates will have an adverse impact on the Advance tax payments as the due date are not extended taxpayers are forced to make the advance tax payments.

Note that TDS rate cut is not applicable for Salary (Section 192) and for the Non-Resident Payments (195)

Release of pending refunds

- Earlier, CBDT has announced to release pending Income Tax refunds upto Rs.5 Lakhs to Individual Tax payers.
- Subsequently, the same was widened to all pending Income Tax refunds to Charitable trust and non -corporate business or profession including proprietorship , partnership , LLP and Co- operatives.

CBDT in subsequent clarifications has stated that refunds shall be issued only if the response to pending outstanding demand status is filed by the Tax Payer



Other Notifications

Compilation of other CBDT circulars and Amendments

Residential status during lockdown

For the purpose of determining residential status for A.Y. 2020-21 with respect to individual:

- Who came to India on or before 22nd March,2020 and who are unable to leave India, the stay period from 22nd March,2020 to 31st March,2020 shall not be considered
- Who has been quarantined , the stay period from the date of quarantine till 31st March, 2020 shall not be considered.
- Who has departed on an evacuation flight on or before 31st March 2020, his period of stay in India from 22nd March 2020 to his departure shall not be considered.

Lower deduction certificate - validity

- Lower deduction certificates under Form 15G & 15H submitted for F.Y. 2019-20 shall be valid till 30th June 2020
- Payment to non –resident including foreign companies having PE in India, where the application for lower deduction is pending, tax on payments made will be deducted at the subsidized rate of 10% including surcharge and cess till 30th June 2020 or disposal of the application whichever is earlier.

Miscellaneous

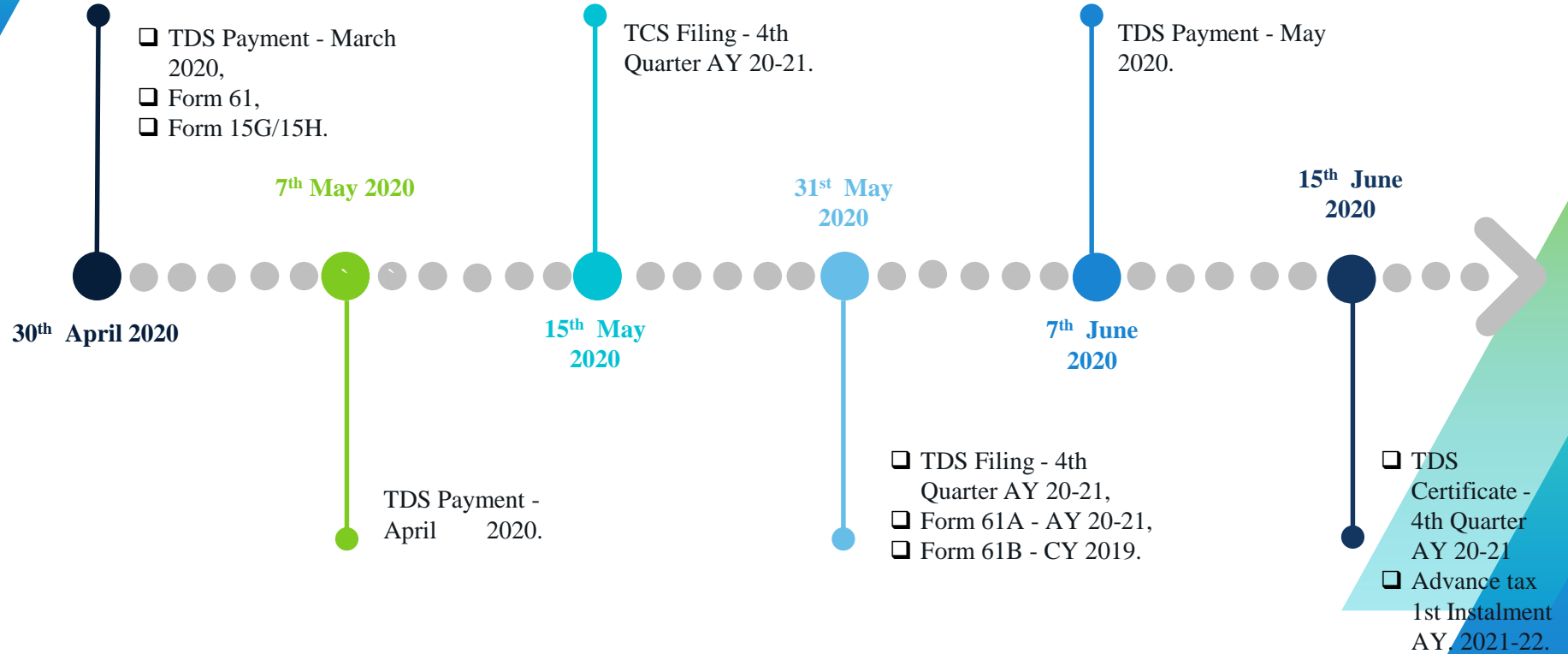
- 100% deduction u/s.80G shall be available for PM cares fund for F.Y.2019-20
- Restriction of 10% on Gross Total Income for claiming deduction u/s 80G will not be applicable to donations made to PM cares fund.
- Reporting under clause 30C and clause 44 of Tax Audit Report shall be kept in abeyance till 31st March 2021.



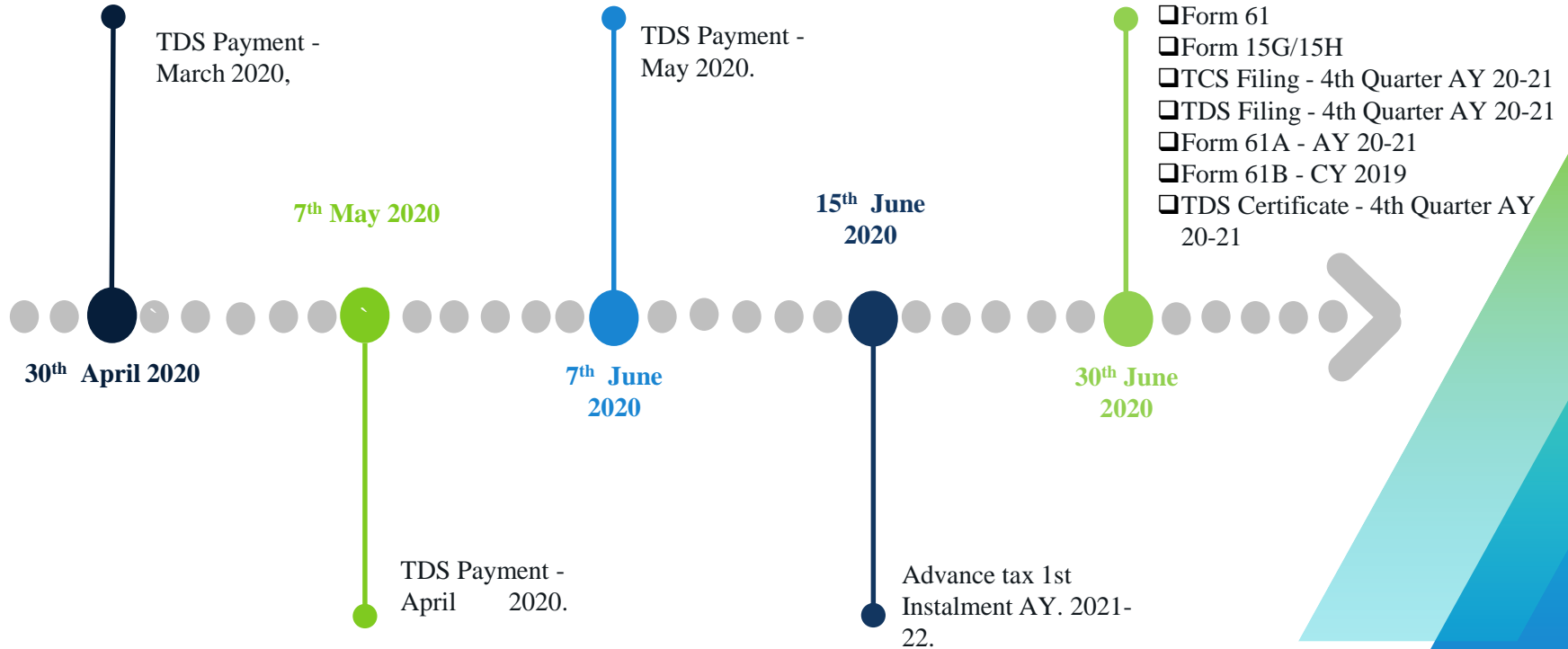
Analysis of Time line

Depiction of extention of due dates during lockdown

TDS , TCS, Advance Tax payment and Specified Financial Transaction Due dates **Before Extension.**



TDS , TCS, Advance Tax payment and Specified Financial Transaction Due dates **After Extension.**



Income Tax Return, Tax audit report and Transfer Pricing Due date **Before Extension**

31st March 2020

31st July 2020

30th September 2020

31st October 2020

30th November 2020

- ❑ AY 2019-20 Belated Return filing
- ❑ AY 2019-20 Revised return filing
- ❑ AY 2019-20 CbCr reporting

- ❑ AY 2020-21 – Individual Return filing (Other than tax Audit)

- ❑ AY 2020-21 - Tax audit report filing

- ❑ AY 2020-21 – Company Return filing
- ❑ AY 2020-21 – Individual (Tax Audit) & Partners (partnership firm -Tax Audit)

- ❑ AY 2020-21 – Transfer pricing report filing
- ❑ AY 2020-21 – Assesse involved in International Transaction - Return filing

Income Tax Return, Tax audit report and Transfer Pricing Due date **After Extension**

30th June 2020



- ❑ AY 2019-20 Belated Return filing
- ❑ AY 2019-20 Revised return filing
- ❑ AY 2019-20 CbCr reporting

31st October 2020



- ❑ AY 2020-21 - Tax audit report filing

30th November 2020



- ❑ AY 2020-21 – Individual Return filing (Other than tax Audit)
- ❑ AY 2020-21 – Individual (Tax Audit) & Partners (partnership firm -Tax Audit)
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- ❑ AY 2020-21 – Transfer pricing report filing
- ❑ AY 2020-21 – Assessee involved in International Transaction - Return filing

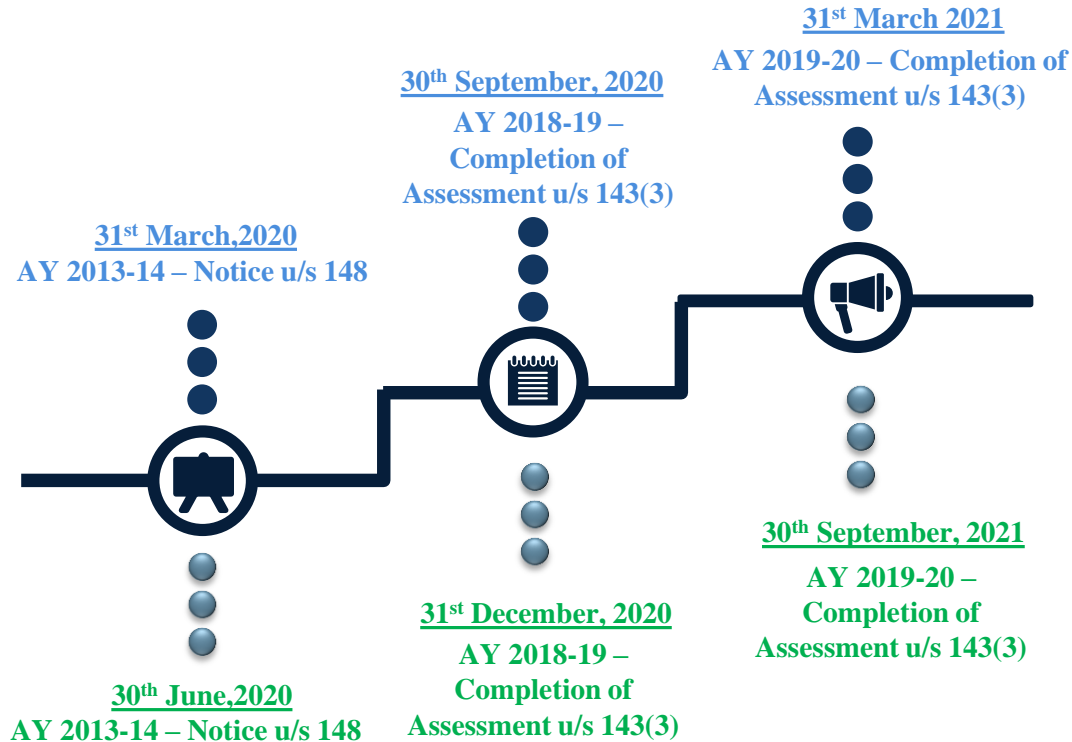
Vivad Se Vishwas Scheme - 2020

Due date is
31st March 2020 As
per Finance Bill,2020

Extended to 30th
June, 2020 on
24th March, 2020
Press Conference

Extended to 31st
December, 2020 on
13th May, 2020 Press
Conference

Comparative Timeline on Assessments





Thanks!