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**Highlights of the Notification
on Taxation & Other Laws
dated 24th June, 2020**

TAX ALERT

--Key Highlights of the Notification No. 35 on Taxation and other Laws dated 24th June, 2020¹

In view of the challenges faced by taxpayers in meeting the statutory and regulatory compliance requirement across sectors due to the outbreak of COVID-19, the Government earlier come up with few amendments vide the **Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020** on 31st March, 2020 and **Atmanirbhar Bharat Package**. In order to provide further relief to the taxpayers for making various compliances, the Government had further extended the time limits vide “**notification on Taxation and Other Laws dated 24th June, 2020**”.

Important announcements and extensions as per the notification are as under:

✓ **General Provision:**

Where any time limit has been specified in or prescribed in any of the specified acts*, for compliance of a particular action** which falls during the period from **20th March, 2020 to 31st December, 2020²**, the time limit for such completion or compliance of the action stands extended to **31st March, 2021**.

Specified Acts Includes*;	Particular Action such as**;
<ul style="list-style-type: none">➤ The Income Tax Act, 1961➤ The Wealth Tax Act, 1957➤ The Benami Property Transaction Act, 1988➤ Securities Transaction Tax (<i>Chapter VII of the Finance (No.2) Act, 2004</i>)➤ Commodity Transaction Tax (<i>Chapter VII of the Finance Act, 2013</i>)➤ The Black Money (Undisclosed Foreign Income and Assets) and imposition of Tax Act, 2015➤ Equalization Levy (<i>Chapter VIII of Finance Act, 2016</i>)➤ The Direct Tax Vivad se Vishwas Act, 2020	<ul style="list-style-type: none">➤ Completion of any proceedings➤ Passing of any order➤ Issuance of any notice, intimation, notification, sanction or approval or by whatever name called by any authority, commission or tribunal.➤ Filing of any appeal, reply, application, report, documents, return or statements or such other records by whatever name called.

✓ However, the notification provides for **certain exceptions** to the above-mentioned general extension i.e., the time limit for compliance remains unchanged or with few modifications in the following cases;

¹ https://www.incometaxindia.gov.in/communications/notification/notification_35_2020.pdf
https://www.incometaxindia.gov.in/communications/notification/notification_39_2020.pdf

² As per Ordinance No. 2 of 2020, compliance falling between 20th March, 2020 to 29th June, 2020 were extended to 30th June, 2020

a. Filing of Income Tax Return for AY 2019-20:

The time limit for filing original (belated) as well as revised Income-tax return for the FY 2018-19 (AY 2019-20) has been extended to 31st July, 2020.

b. Filing of Income Tax return for AY 2020-21:

Vide announcement in a press conference dated 13th May, 2020, due dates for filing Return of income for AY 2020-21 were extended to 30th November, 2020 for all class of assesseees. Current notification is in affirmation with the earlier announcement.

c. Clarification on provisions of Interest u/s. 234A:

Through the due date for filing of return of income for AY 2020-21 is extended, interest u/s. 234A of the Act will still be leviable.

The parameters to levy the same are as mentioned below:

If the tax on total Income as reduced reliefs, TDS/TCS, advance tax etc. is	Chargeability of Interest u/s. 234C of the Act
Up to Rs. 1 Lakh	no interest u/s. 234A would attract if the return of income is filed within the extended due date.
Exceeding Rs. 1 Lakh	section 234A would attract from the date of filing of return as per the Act till the date on which the return is filed.

Example:

Scenarios	Interest u/s. 234A
1. Mr. A (Individual), filed his ROI for AY 2020-21 on 15th November, 2020 after paying Self-assessment tax of INR 10 Lakhs	Will be levied @ 1% p.m. on INR 10 Lakhs from 01 st Aug, 2020 to 15 th Nov, 2020 (i.e., for 4 Months) (Since tax payable is more than INR 1 Lakh)
2. Mr. A (Individual), filed his ROI for AY 2020-21 on 15th November, 2020 after paying Self-assessment tax of INR 85,000/-	No Interest will be levied. (Since the tax payable is less than INR 1 Lakh)

d. Time limit for furnishing the TDS/TCS statements and issuance of TDS/ TCS certificates:

Particulars	Due Date
• Furnishing of TDS/TCS statements (Government) for the month of February 2020, March 2020 or quarter ending March, 2020	15 th July, 2020
• Furnishing of TDS/TCS statements (Non-Government) for the month of February 2020, March 2020 or quarter ending March, 2020	31 st July, 2020

<ul style="list-style-type: none"> • Issuance of TDS/TCS certificates in <ul style="list-style-type: none"> i) Form 16 for FY 2019-20 ii) Form 16A for fourth quarter of FY 2019-20 iii) Form 16B/16C/16D for the month of February 2020, March 2020 or quarter ending March, 2020 	15th August, 2020
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e. Time limit for investments for deduction u/s. 54 to 54GB extended:

The date for making investment/ construction/ purchase for claiming roll over benefit/ deduction for FY 2019-20 in respect of capital gains under sections 54 to 54GB of the Act has been further extended to **30th September, 2020**.

f. Time limit for investments for claiming deductions under Chapter-VIA extended:

The date for making various investment/ payment for claiming deduction under Chapter-VIA (under Heading B – deduction in respect of certain payments) for FY 2019-20 has also been further extended to **31st July, 2020**.

g. Direct Tax Vivad Se Vishwaas Act, 2020:

Vide announcement in a press conference dated 13th May, 2020, due date for *Vivad se Vishwas Scheme* has been extended up to **31st December, 2020**. Current notification is in affirmation with the earlier announcement. Therefore, declaration and payment under the scheme can be made up to 31st December, 2020 without any additional payment of 10% on the disputed tax/ penalty/ interest (as initially provided for, by Finance Bill, 2020)

h. Time lines for Assessment Proceedings

Due dates for assessment proceedings as per press conference 13th May, 2020 and notification dated 24th June, 2020 is as tabulated below:

Sr. No.	Particulars	A.Y.	Due date as per relevant Finance Act	Notification (24 th June, 2020)
1.	Order u/s. 143(1)	2019-20	31-03-2020	31-03-2021
2.	Scrutiny Assessment u/s. 143(3)/144	2018-19	30-09-2020	31-03-2021
3.	Scrutiny Assessment u/s. 143(3)/144	2019-20	31-03-2021	30-09-2021 ³
4.	Reassessment u/s. 147 (if notice is served in the FY 2019-20)	-	31-03-2021	30-09-2021 ²

³ Time lines are as per Announcement of Atmanirbhar Bharat Package dated 13th May, 2020 and there is no change in these time lines as per notification dated 24-06-2020.

For a deeper discussion on this topic, please feel free to contact

Sneha Padhiar

Partner

Tel: +91 97692 73708

sneha.padhiar@bhutashah.com

Disha Jain

Associate

Tel: +91 89193 75258

disha.jain@bhutashah.com

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