

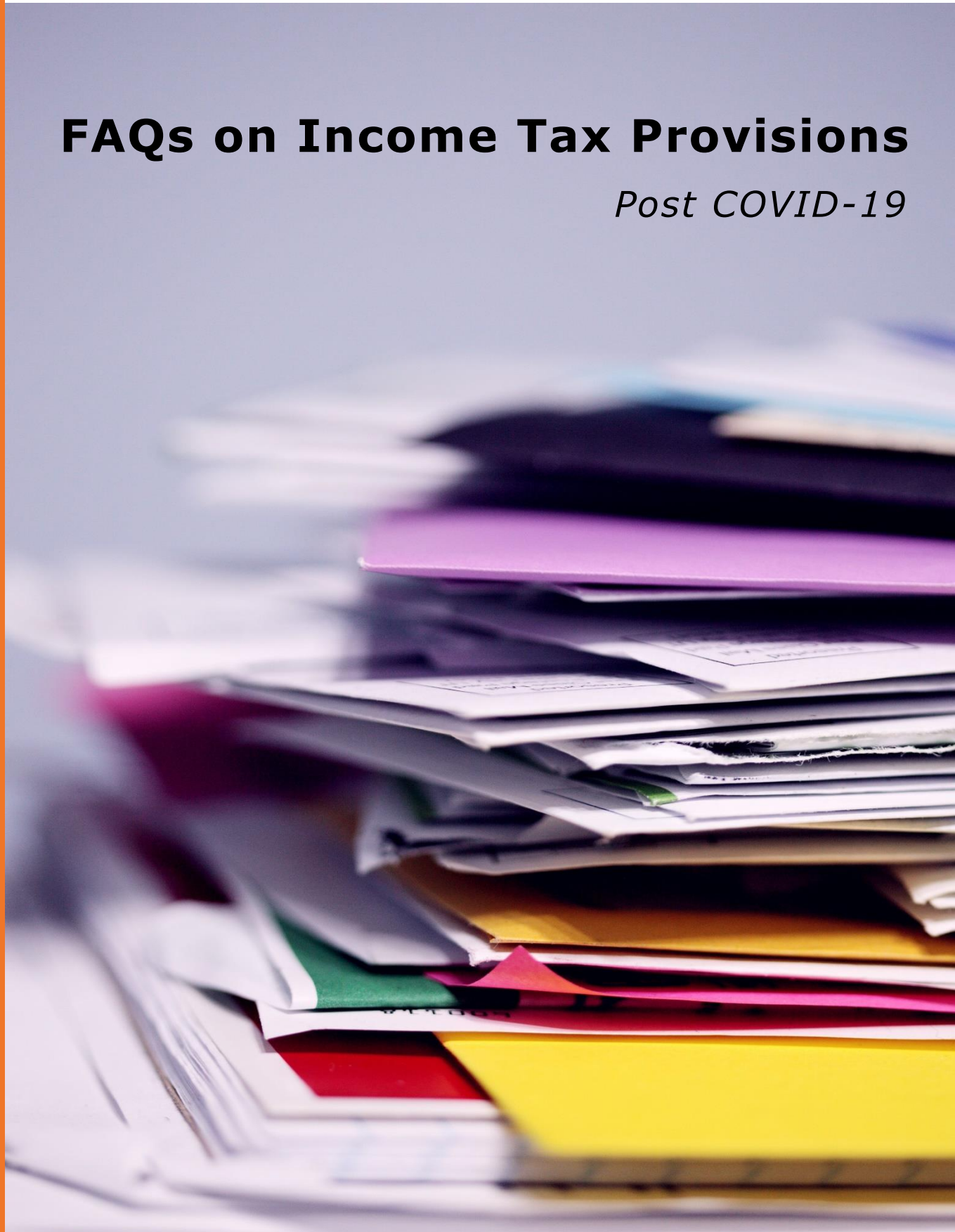


Bhartiya Vitta Salahkar Samiti
Contributing in Nation Building



FAQs on Income Tax Provisions

Post COVID-19



May 6, 2020

BVSS PUBLICATION

About BVSS

Bhartiya Vitta Salahkar Samiti (BVSS), is a leading think tank of Indian finance professionals having membership from Chartered Accountants, Company Secretaries, Cost & Management Accountants, Tax Advocates, Bankers, Educationalists, Finance Consultants, Brokers, CXO's, and Board of Directors of large corporations as its members. To know more about BVSS activities, you may visit our website: www.bvssonline.org

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Preface

Pandemic COVID-19 forced a lockdown in India. During this period there are many challenges for the public including various compliances under the tax laws. The Central government has come forward and given various reliefs or relaxations in the compliances under the Income tax Act. Due to new changes, several unanswered queries are there in the minds of professionals as well as taxpayers.

To address these queries, Bhartiya Vitta Salahkar Samiti (BVSS) has come up with answers to these Scenario based Frequently Asked Questions (FAQs).

I thank BVSS for giving me this opportunity to prepare this document. I acknowledge the sincere contribution and valuable inputs provided by **CA. Aastha Gupta**.

We hope that the Publication will be useful for the readers.

CA. Baldev Raj
Author
& Convenor- Research & Publication Group

Frequently Asked Questions

Q 1. Mr. Ramesh has FDRs with a bank and the yearly interest earned on these FDRs is ₹ 1.25 lakhs. One FDR is maturing on 08.04.2020 and interest on that FDR is ₹ 20,000. He is not able to file the declaration in Form No. 15H for the FY 2020-21 (AY 2021-22) with the bank due to COVID19 lockdown. In the AY 2020-21 (FY 2019-20) no tax was deducted by the bank on the interest on FDR based on declaration filed by him. What is the duty of the bank to deduct TDS on interest ₹ 20,000 which is due on 08.04.2020?

Ans. Since Mr. Ramesh has submitted declaration in Form no 15G and H for the FY 2019-20 (AY 2020-21) and that declaration is valid, therefore the declaration of FY 2019-20 (AY 2020-21) shall also be applicable for the FY 2020-21 (AY 2021-22) and the bank shall give the effect of that declaration on interest on FDR. Bank will not deduct TDS on the same. However, the Bank is liable to submit report as per Rule 31A(4)(vii) of Income Tax Rules.

(Reference: Annexure "D")

Q 2. M/s ABC Ltd had already filed an application on 16.03.2020 for lower deduction of TDS/ TCS u/s 197 for the FY 2020-21 (AY 2021-22) but that application is still pending as on date. What is the remedy available with M/s ABC Ltd and what is the duty of deductor/collector assuming that they are well aware of fact that M/s ABC Ltd.'s application for lower rate of TDS and TCS is pending with tax authority?

Ans. M/S ABC Ltd.'s application u/s 197 for AY 2020-21 is still pending with the tax authorities but on same transactions for the FY 2019-20 (AY 2020-21) a certificate u/s 197 was issued by the tax department. Thus, the certificate which was issued for the FY 2019-20 (AY 2020-21) will be applicable on payment/ credit made during the period 01.04.2020 to 30.06.2020 and deductors are required to deduct TDS / collect TCS on those payments/ credits in accordance with the rate of tax and amount as stated in that certificate. However, if in the meantime, such certificate for AY 2020-21 is issued by the tax authorities before 30th June 2020, then the TDS and TCS shall be deducted and collected, respectively, by the

deductor/collector as per the new certificate. But before the issue of this new certificate, if there are any new parties which did not form part of last year's lower deduction certificate, then normal rate of tax deduction will be applicable to such parties.

(Reference: Annexure "B and E ")

Q 3. M/s ABC Ltd. was not able to file application u/s 197 for the FY 2020-21 (AY 2021-22) for lower rate of TDS/ TCS due to or during COVID 19 lockdown. What is the remedy available to it?

Ans. When M/s ABC Ltd could not file an online application u/s 197 on the TRACES portal due to COVID 19 lock down for the FY 2020-21 (AY 2021-22), there will be two situations:

- a) there was Lower rate of Certificate for the same transactions issued by tax authority under section 197 for the FY 2019-20 (AY 2020-21)
- b) when there was no such certificate.

In situation (a), the certificate of lower rate issued u/s 197 issued for the FY 2019-20 (AY 2020-21) will be applicable on payment/ credits made during the period 01.04.2020 to 30.06.2020. Thus, the deductor will be required to deduct tax in accordance with that certificate. However, M/s ABC Ltd is required to file the application at the earliest for the FY 2020-21 as per the procedure laid down in Annexure to the CBDT order u/s 119 of the Income Tax Act, 1961 on issue of certificates for lower rate/nil deduction/collection of TDS or TCS u/s 195, 197 & 206C dt. 31.03.2020 as soon as normalcy is restored or before 30.06.2020, whichever is earlier. But before the issue of this new certificate, if there are any new parties which did not form part of last year's lower deduction certificate, then normal rate of tax deduction will be applicable to such parties.

In situation (b), when no lower rate of certificate u/s 197 was issued for the FY 2019-20 (AY 2020-21), M/s ABC Ltd is required to file the application for the FY 2020-21 as per the procedure laid down Annexure to the CBDT order u/s 119 of the Income Tax Act, 1961 on issue of certificates for lower rate/nil deduction/collection of TDS or TCS u/s 195, 197 & 206C dt. 31.03.2020. However, till the time the certificate is issued, normal TDS provisions will be applicable.

(Reference: Annexure "B ")

Q 4. When M/s ABC Ltd filed for an application u/s 197/ 195(2) for lower rate of TDS on payment to a Non -resident and on same transaction lower rate of Certificate issued for the FY 2019-20 (AY 2020-21). What is remedy available with M/S ABC Ltd?

Ans. When application u/s 197/195(2) is pending with the tax authority for FY 2020-21 (AY 2021-22) and the certificate u/s 197/195(2) was issued for the FY 2019-20 (AY 2020-21) by the tax department, then the certificate issued of FY 2019-20 (AY 2020-21) will be applicable on payment/ credit made during the period 01.04.2020 to 30.06.2020 and M/S ABC Ltd will be required to deduct tax in accordance with that certificate.

However, if the certificate of deduction of tax at lower rate is issued by the tax authority for the FY 2020-21 (AY 2021-22) at any time on or before 30.06.2020, then, the TDS shall be deducted by the M/s ABC Ltd as per that certificate .

(Reference: Annexure "C ")

Q 5. M/s ABC Ltd was not able to file application due to / during COVID 19 lockdown u/s 197/195(2) for the FY 2020-21 (AY 2021-22) for payment to Non -resident at lower rate of TDS. What is the remedy available with M/S ABC Ltd?

Ans. When Application u/s 197 could not be filed online at TRACES portal due to COVID 19 Lock down, and a certificate was issued by tax authority under section 197/195(2) for the FY 2019-20 (AY 2020-21), then such certificate u/s 197/195(2) issued for the FY 2019-20 (AY 2020-21) is applicable on payment/ credit made during the period 01.04.2020 to 30.06.2020. Thus, the deductor is required to deduct tax in accordance with that certificate.

However, the assessee is required to file the application at the earliest for the FY 2020-21 as per the procedure laid down in Annexure to the CBDT order u/s 119 of the Income Tax Act, 1961 on issue of certificates for lower rate/nil deduction/collection of TDS or TCS u/s 195, 197 & 206C dt. 31.03.2020, as soon as normalcy is restored or 30.06.2020, whichever is earlier.

(Reference: Annexure "B ")

Q 6. M/s ABC Ltd had filed application u/s 195(2) /197 for payment to non-resident company and that company has PE in India and no certificate for such payment was issued u/s 197/195(2) for the FY 2019-20 (AY 2020-21) by the tax authority. How will this situation be dealt with?

Ans. M/S ABC Ltd will deduct tax @ 10% plus surcharge plus cess on payment to that non-resident company till 30th June,2020 or disposal of application filed under section 195(2) /197 by the tax authorities, whichever is earlier.

(Reference: Annexure "C")

Q 7. What is new / change in procedure for filing of lower rate of TDS/TCS u/s 197/195(2)/ 206(9) which is laid down in in Annexure to the CBDT order u/s 119 of the Income Tax Act, 1961 on issue of certificates for lower rate/nil deduction/collection of TDS or TCS u/s 195, 197 & 206C dt. 31.03.2020?

Ans. The Application u/s 197/209C (9) of the Income Tax Act, 1961 should be filed by e-mail and that should be addressed to the concerned assessing officer. The mail should consist of the following:

- a) Form no 13 duly filed with annexures I and III
- b) Documents as are required to be attached with Form no 13 (online application at Traces Portal)
- c) Projected balance sheet and Profit and Loss account for the financial year 2020-21
- d) Provisional Balance sheet and profit and Loss Account for the financial year 2019-20
- e) Audited Balance Sheet and Profit and loss for the financial year 2018-19
- f) Form no 26AS for the FY 2018-19 and 2019-20
- g) Copy of income tax return filed for the AY 2019-20

Note: There is no change in procedure for filing of application and issue of certificate except that the application will be filed by e-mail and issue of certificate shall also be on e-mail.

(Reference: Annexure "B")

Q 8 M/s ABC Ltd had filed application for lower rate of TDS/TCS u/s 197 for last year i.e. the FY 2019-20 (AY 2020-21) and that application was still pending as on 31st March 2020. What is the remedy available with M/s ABC Ltd?

Ans. The CBDT has passed an order u/s 119 of the Income Tax Act, 1961 on issue of certificates for lower rate/nil deduction/collection of TDS or TCS u/s 195, 197 & 206C dated 03.04.2020 for the disposal of lower rate of TDS and TCS application pending for the FY 2019-20. As per the order, M/s ABC Ltd is required to inform vide e-mail to concerned assessing officer about the pendency of the application u/s 197/ 20C(9) and also required to submit all documents and evidence which were filed with the application on the TRACES portal and thereafter, the AO shall dispose off that application on or before 27.04.20 and communicate with the applicant (M/z ABC Ltd.) by mail.

(Reference: Annexure "C and E")

Q9 Please explain the relief provided in respect of filing of TDS/TCS statement and issue of certificate in the "The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020" for the quarter ended 31.03.2020.

Ans.

a) Furnishing of TDS statements for the 4th quarter of FY 2019-20 (Section 200 read with Rule 31A)

	Existing date	Extended date
Furnishing of TDS Statement for the fourth quarter of the Financial Year 2019-20	31-05-2020	30-06-2020
<i>Furnishing of TDS Statement in form 26QB/26QC/26QD for the month of:</i>		
a) February, 2020	30-03-2020	30-06-2020
b) March, 2020	30-04-2020	30-06-2020
c) April, 2020	30-05-2020	30-06-2020

b) Issue of TDS certificate for the 4th quarter and for the FYR. 2019-20 (Form no 16) (Section 203 read with Rule 31)

a) Form 16: In respect of tax deducted from the salary paid during the Financial Year 2019-20;	15-06-2020	30-06-2020
b) Form 16A: In respect of tax deducted from payments other than salary for the quarter ending March 31, 2020	15-06-2020	30-06-2020
c) Form 16B/16C/16D: In respect of tax deducted under section 194-IA/194-IB/194M during the month of March, 2020	15-05-2020	30-06-2020
d) Form 16B/16C/16D: In respect of tax deducted under section 194-IA/194-IB/194M during the month of April, 2020	14-06-2020	30-06-2020

- c) **Furnishing of TCS statements for the 4th quarter of FY 202019-20 (Section 206C read with Rule 31AA)**

Furnishing of TCS Statement for fourth quarter of the Financial Year 2019-20	15-05-2020	30-06-2020
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- d) **Issue of TCS certificate for the 4th quarter (section 206C read with rule 37D)**

Issue of TCS certificate for the fourth quarter of the Financial Year 2019-20	30-05-2020	30-06-2020
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(Reference: Annexure "A")

Q 10 M/s ABC Ltd due to the COVID 19 lockdown was not able to deposit the TDS/ TCS in time in accordance with the time frame provided under the Income Tax Act read with Rules. Please explain whether any relief has been provided in "The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020

Ans. "The Taxation and Other Laws (Relaxation Of Certain Provisions) Ordinance, 2020" provides that where the due dates for deposit of TDS/TCS as per the existing law falls between 20.03.2020 to 29.06.2020 and same TDS/TCS is deposited before 30th June 2020 or before any other date that may be notified by the Central Government, then, that assessee will not be held as 'assessee-in-default' in depositing of TDS/TCS in Central Government account. However, Assessee is still required to pay interest as per section 201(1A) of the Act but that rate of interest will be at concessional rate of interest i.e. 9% instead of 12% or 13.5 % instead

of 18% as applicable. Further, no penalty and no prosecution shall be initiated or imposed on the assessee for delay in deposit of TDS/ TCS.

Thus ABC Ltd may deposit TDS / TCS on or before 30.06.2020 and before any other date as may be notified by central Govt and shall also deposit interest due there on at concessional rate and in this manner it will be able to save itself from imposition of penalty u/s 271C and prosecution u/s 276B of the Act .

(Reference: Annexure "A")

Q 11 Situation One

(a) M/s ABC Ltd had neither filed its return of income for the AY 2019-2020 as required by section 139(1) of the Income Tax Act, 1961 nor filed belated return of income u/s 139(4) of the Income Tax Act, 1961 till 31.03.2020.

Situation 2

(b) M/s XYZ filed the return of income for the AY 2019-2020 and subsequently found some mistakes and omissions in the return and decided to revise return as per section 135(5) of the Income Tax Act, 1961 but was not able to revise the same till 31.03.2020

Question for both situations

Whether any relief has been granted in respect of filing/belated filing of return of income or revision of income tax return under "The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020"

Ans. Yes, "The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020" has extended the date of filing of belated return u/s 139(4) and revised return u/s 139(5) from 31.03.2020 to 30.06.2020. Thus, M/s ABC Ltd may file its return for the AY 19-20 on or before 30.06.2020 and M/s XYZ may revise its return of income for the AY 19-20 on or before 30.06.2020.

(Reference: Annexure " A")

Q12 M/s XYZ Ltd received notice dated 15.04.2020 u/s 147 for reassessment for the AY 2013-2014 from income tax department. The company understands that the notice u/s 147 is barred by limitation and time limit for responding to that notice is 31.03.2020. The Company want to know the validity of that notice in the light of “The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020”?

Ans. The time limit to issue notice has been given in section 149 of the Income Tax Act, 1961. Given below is the extract of Sec. 149:

“Section 149(1) No notice under section 148 shall be issued for the relevant assessment year—

- (a) if four years have elapsed from the end of the relevant assessment year unless the case falls under clause (b) or clause (c).
- (b) if four years, but not more than six years, have elapsed from the end of the relevant assessment year unless the income chargeable to tax which has escaped assessment amounts to or is likely to amount to one lakh rupees or more for that year
- (c) if four years, but not more than sixteen years, have elapsed from the end of the relevant assessment year unless the income in relation to any asset (including financial interest in any entity) located outside India, chargeable to tax, has escaped assessment.”

However, “The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020”. has extended the date for completion or compliance of such action to 30.06.2020 or such other date after the 30.06.2020, as the Central Government may notify.

Thus, the notice u/s 147 of the Income Tax Act, 1961 dated 15.04.2020 issued by the tax department to XYZ Ltd is within the time limit as per section 149 read with the Taxation and Other Laws (Relaxation Of Certain Provisions) Ordinance, 2020 2020 and is valid notice . **(Reference: Annexure “ A”)**

Q13 The XYZ Ltd had filed its return of income for the AY 2018-19 on 25.09.2018 and it received intimation u/s 143(1) of the Income Tax Act, 1961 dated 15.04.2020 for the AY 2018-19. The intimation has been received after the expiry of one year from the end of the financial year in which XYZ Ltd filed its return of Income. Now the company wants to know the validity of intimation u/s 143(1) of the Income Tax Act, 1961 dated 15.04.2020 since as per section 143(1) Income Tax Act, 1961 the limitation period to issue that intimation is 31.03.2020.

Ans. Section 143(1) of the Income Tax Act, 1961 states that no intimation shall be sent after the expiry of one year from the end of the financial year in which the return of income is filed. However, the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 extended the date for such compliance from 31.03.2020 to 30.06.2020. Thus, the intimation issued by the tax department is valid and is in accordance with the provisions of section 143(1) read with the Ordinance 2020.

(Reference: Annexure "A")

Q 14 Mr. Ramesh was not able to link his PAN with Aadhar number till 31.03.2020 and as per proviso to section 139AA of the Income Tax Act, 1961 ,if the PAN has not been linked with the Aadhar number of the assessee, then PAN shall be inoperative w.e.f. 01.04.2020.What is the status of PAN of Ramesh as on 01.04.2020 and remedy available with him?

Ans. As per the proviso to Section 139AA of the Income Tax Act, 1961:

“Provided that in case of failure to intimate the Aadhaar number, the permanent account number allotted to the person shall be made inoperative after the date so notified in such manner as may be prescribed”

Rules 114AAA (1) of the Income Tax Rules provides that:

“Where a person, who has been allotted the permanent account number as on the 1st day of July, 2017 and is required to intimate his Aadhaar number under sub-section (2) of section 139AA, has failed to intimate the same on or before the 31st day of March, 2020, the permanent account number of such person shall become inoperative immediately after the said date for the purposes of furnishing, intimating or quoting under the Act.”

The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 extended the date for such compliance from 31.03.2020 to 30.06.2020. However, no amendment has been made in Rule 114AAA.

Thus, as per Ordinance 2020, Mr. Ramesh’s PAN is valid as on 01.04.2020 and he may link his PAN with Aadhar number on or before 30.06.2020.

(Reference: Annexure "A")

Q 15 XYZ Ltd was not able to deposit its advance tax on 15.03.2020. Rather it deposited the tax on 20.03.2020 and on 15.04.2020. What is the status of payment of tax deposited on 20.03.2020 and 15.04.2020?

Ans. Section 211 of the Income Tax Act, 1961 provides the amount of installments of advance tax and due dates, as stated below:

211. “(1) Advance tax on the current income calculated in the manner laid down in section 209 shall be payable by—

(a) all the assesseees, other than the assessee referred to in clause (b), who are liable to pay the same, in four instalments during each financial year and the due date of each instalment and the amount of such instalment shall be as specified in the Table below:

Due date of instalment	Amount payable
On or before the 15th June	Not less than fifteen per cent of such advance tax
On or before the 15th September	Not less than forty-five per cent of such advance tax, as reduced by amount, if any paid in the earlier instalment
On or before the 15th December	Not less than seventy-five per cent of such advance tax, as reduced by the amount or amounts, if any, paid in the earlier instalment or instalments.
On or before the 15th March	The whole amount of such advance tax, as reduced by the amount or amounts, if any, paid in the earlier instalment or instalments

An assessee who declares profits and gains in accordance with the provisions of sub-section (1) of section Special provision for computing profits and gains of business on presumptive basis 44AD or sub-section (1) of section 44ADA, as the case may be, to the extent of the whole amount of such advance tax during each financial year on or before the 15th March:

Provided that any amount paid by way of advance tax on or before the 31st day of March shall also be treated as advance tax paid during the financial year ending on that day for all the purposes of this Act”

The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 provides:

“(2) Where any due date has been specified in, or prescribed or notified under, the specified Act for payment of any amount towards tax or levy, by whatever name called, which falls during the period from the 20th day of March, 2020 to the 29th day of June, 2020 or such other date after the 29th day of June, 2020 as the Central Government may, by notification, specify in this behalf, and such amount has not been paid within such date, but has been paid on or before the 30th day of June, 2020, or such other date after the 30th day of June, 2020 as the Central Government may, by notification, specify in this behalf, then, notwithstanding anything contained in the specified Act,

(a) the rate of interest payable, if any, in respect of such amount for the period of delay shall not exceed three-fourth per cent. for every month or part thereof.

(b) no penalty shall be levied, and no prosecution shall be sanctioned in respect of such amount for the period of delay.”

The due date of last instalment of advance tax for the AY 2020-2021 was 15.03.2020.

However, the payment of tax on or before 31.03.2020 is also treated as advance tax though there is no relaxation of interest u/s 234C and any tax deposited after 31.03.2020 shall be treated as self-assessment tax. Accordingly, **there is no relaxation for late deposit of advance tax** provided in such case under The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020.

Thus, the tax that XYZ Ltd deposited on 20.03.2020 is advance tax for the AY 2020-2021. It shall be liable to pay interest as per section 234C for deferment in payment of advance tax. The tax paid on 15.04.2020 is self-assessment tax and it shall be liable to pay interest as per Section 234B for default in payment of advance tax.

(Reference: Annexure “A”)

Q 16 Mr. Ramesh paid LIC premium and deposited amount in a tax saving investment on 15.04.2020, paid Mediclaim policy premium on 16.04.2020 and made donation on 18.04.2020. Whether Mr. Ramesh will be entitled for deduction under chapter VI of the Income Tax Act, 1961 for the A.Y. 2020-2021 even if the payment and investment made by him were after 31.03.2020?

Ans. In A.Y. 2020-2021 , Mr. Ramesh is eligible for deductions under Section 80C,80CCB , 80CCD, 80D,80E and 80G which fall under part B of schedule VI of the Income Tax Act, 1961 on payment basis” only, if he had made payment or investment in -the FY 2019-2020.

The Taxation and Other Laws (Relaxation Of Certain Provisions) Ordinance, 2020 extend the date of that payment /investment to 30.06.2020 or such other date after the 30th day of June, 2020, as the Central Government may, by notification, specify in this behalf for payments and investments which are covered under any provisions of Chapter VI-A under part B.

Thus, as per relaxations notified by the Ordinance 2020, Mr. Ramesh is eligible and entitled for deduction in AY 2020-2021 as follows:

- i) LIC premium and amount deposited in tax saving investment on 15.04.2020 u/s 80C of the Income Tax Act, 1961
- j) payment of Mediclaim policy premium on 16.04.2020 u/s 80D of the Income Tax Act, 1961
- k) for donation on 18.04.2020 u/s 80G of the Income Tax Act, 1961

However , if Mr. Ramesh has already made the payments and investment for the AY 2020-21 in FY 2019-2020 and further made payments during the period 01.04.2020 to 30.06.2020 for the AY 2021-2022, then the question may arise whether Mr. Ramesh is eligible for deduction in AY 2020-21 or in AY 2021-2022 for these payments.

The relaxation has been given to those who are not able to make these payments but there is no restriction to be claimed in AY 2021-2022. Thus, Mr. Ramesh may claim the deduction on payments made in 01.04.2020 to 30.06.2020 either in AY 2020-2021 or in AY 2021-2021 as per his option.

Note: To avoid double deduction of same investment /payment in both the year, the CBDT will come with some solution to check that in the return of income.

(Reference: Annexure "A")

Q 17 Mr. Ramesh earned a capital gain on transfer of land and building on 28.10.2019. To avail the benefit of Section 54EC of the Income Tax Act, 1961, he has to make investment on or before six months from the date of transfer i.e. 31.03.2020 but due to lockdown no investment could be made by him in the prescribed time limit. Further, he had deposited the amount of capital gains relating to earlier years in Capital gain account scheme for which the time limit of rollover investment in capital assets u/s 54/54F of the Income Tax Act, 1961 falls in the period between 20.03.2020 to 31.03.2020 and he was not able to do so due to lockdown in India . What is the status of taxability of capital gain and deemed capital gain in the hands of Mr. Ramesh and further remedy available with him?

Ans. *Section 54EC (1) of the Income Tax Act, 1961 provides that the capital gain arises from the transfer of a long-term capital asset being land or building or both and the assessee has at any time within a period of six months after the date of such transfer, invested the whole or any part of capital gains in the long-term than specified asset than capital gain shall be dealt with in accordance with the following provisions of this section, that is to say,—*

(a) if the cost of the long-term specified asset is not less than capital gain arising from transfer of the original asset, the whole of such capital gain shall not be charged under section 45.

(b) if the cost of the long-term specified asset is less than the capital gain arising from the transfer of the original asset, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of acquisition of the long-term specified asset bears to the whole of the capital gain, shall not be charged under section 45 :

Provided that the investment made on or after the 1st day of April 2007 in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees “

Proviso to section 54 (2) of the Income Tax Act, 1961 provides that:

“Provided that if the amount deposited under this sub-section is not utilised wholly or partly for the purchase or construction of the new asset within the period specified in sub-section (1), then, —

- (i) *the amount not so utilised shall be charged under section 45 as the income of the previous year in which the period of three years from the date of the transfer of the original asset expires; and*
- (ii) *the assessee shall be entitled to withdraw such amount in accordance with the scheme aforesaid.”*

The Taxation and Other Laws (Relaxation Of Certain Provisions) Ordinance, 2020 gives a relief by extending the date of the abovementioned investments to 30.06.2020 or such other date after the 30th day of June, 2020, as the Central Government may, by notification in this regard notify. And the above relief is available to those assesses whose limitation period falls in the period from 20.03.2020 to 29.06.2020 for investments which are covered under sections 54 to 54GB of the Act.

Thus, Mr. Ramesh may make investment u/s 54EC and rollover investment in capital Assets u/s 54/54F on or before 30.06.2020 and avail the benefit of Section 54EC after fulfilling the other conditions of section 54/ 54F of the Act.

(Reference: Annexure “ A”)

Q 18 In case of XYZ Ltd, the Assessment order u/s 143(3) for the AY 2017-18 was passed on 8.09.2019 and certain additions and disallowances were made by the AO. The penalty notice dated 8.09.2019 was issued u/s 271(1) (c) for inaccurate particulars of income. The XYZ Ltd. had not filed appeal against that Assessment order before CIT(A). It had filed reply to that notice on 8.10.2019 and made further additional submission on 22.02.2020. The AO imposed penalty of ₹ 5,00,000 vide order passed u/s 271(1) (C) on 15.04.2020. Since the Penalty order was passed on 15.04.2020, i.e. after six months from the end of the month in which action for imposition of penalty is initiated, XYZ Ltd. is seeking legal position about the status of such penalty order passed by the AO?

Ans. The limitation period for penalty order is provided in Section 274(1) of the Income Tax Act, 1961 as given below:

“274(1) No order imposing a penalty under this Chapter shall be passed—

- (a) in a case where the relevant assessment or other order is the subject-matter of an appeal to the Commissioner (Appeals) under section 246 or section 246A or an appeal to the*

Appellate Tribunal under section 253, after the expiry of the financial year in which the proceedings, in the course of which action for the imposition of penalty has been initiated, are completed, or six months from the end of the month in which the order of the Commissioner (Appeals) or, as the case may be, the Appellate Tribunal is received by the 45[Principal Chief Commissioner or] Chief Commissioner or Principal Commissioner or Commissioner, whichever period expires later :

Provided that in a case where the relevant assessment or other order is the subject-matter of an appeal to the Commissioner (Appeals) under section 246 or section 246A, and the Commissioner (Appeals) passes the order on or after the 1st day of June, 2003 disposing of such appeal, an order imposing penalty shall be passed before the expiry of the financial year in which the proceedings, in the course of which action for imposition of penalty has been initiated, are completed, or within one year from the end of the financial year in which the order of the Commissioner (Appeals) is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, whichever is later;

- (b) in a case where the relevant assessment or other order is the subject-matter of revision under section 263 or section 264, after the expiry of six months from the end of the month in which such order of revision is passed.*
- (c) in any other case, after the expiry of the financial year in which the proceedings, in the course of which action for the imposition of penalty has been initiated, are completed, or six months from the end of the month in which action for imposition of penalty is initiated, whichever period expires later."*

The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 has extended the time limit to pass such order by 30.06.2020 or such other date after the 30.06.2020, as the Central Government may, notify by notification

Thus, the penalty order passed by AO is valid and is not barred by limitation as provided in section 274(1) read with Ordinance, 2020.

(Reference: Annexure " A")

Q 19 XYZ Ltd had filed an appeal with ITAT against the CIT(A) order for the AY 2012-13 and the ITAT vide order dated 15.10.2018 set aside the Assessment order and sent back the file to the Assessing officer to pass fresh order. The Principle CIT / CIT received ITAT order on 18.01.2019. The proceedings of A.Y 2012-13 was in progress and XYZ Ltd filed details and submissions as required by the assessing officer from time to time. The last hearing was held on 10.03.2020. The Assessing officer passed the appeal effect order u/s 254/143(3) on 15.04.2020. What is the status of appeal effect order passed u/s 254/143(3) by Assessing officer after the limitation period as prescribed in section 153(3)?

Ans. As per section 153 (3) of the Income Tax Act, 1961, the time limit to pass the above said appeal effect order u/s 254/143(3) is on or before 12 months from the end of the financial year in which such order is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner. Given below is the relevant extract of the bare Provision:

“153(3) : Notwithstanding anything contained in sub-sections (1) and (2), an order of fresh assessment in pursuance of an order under section 254 or section 263 or section 264, setting aside or cancelling an assessment, may be made at any time before the expiry of nine months from the end of the financial year in which the order under section 254 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the Principal Commissioner or Commissioner:

*Provided that where the order under section 254 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the Principal Commissioner or Commissioner on or after the 1st day of April, 2019, the provisions of this sub-section shall have effect, **as if for the words "nine months", the words "twelve months" had been substituted.**”*

Thus, based on above, the order should have been passed on or before 31.03.2020. However, the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 has extended the time limit to pass such order to 30.06.2020 or such other date after the 30.06.2020, as the Central Government may, notify by notification.

Hence, the order passed by assessing officer on 15.04.20 is before 30.06.2020 which is the extended time permitted by the Ordinance 2020. Thus, it is a valid order and passed within the limitation. **(Reference: Annexure "A")**

Q 20 The XYZ Ltd received the CIT(A) order for the A.Y. 2016-17 on 5.02.2020. XYZ Ltd was not able to file that appeal in ITAT due to lockdown in India since 20.03.2020. What is the remedy available with XYZ Ltd?

Ans. The Section 253(3) of the Income tax Act, 1961 states the time limit to file with the ITAT as given below:

"253(3) : Every appeal under sub-section (1) or sub-section (2) shall be filed within sixty days of the date on which the order sought to be appealed against is communicated to the assessee or to the Principal Commissioner or Commissioner, as the case may be."

Thus, as per above, the time limit for XYZ Ltd to file appeal with ITAT against the order of CIT(A) is on or before the date 5.04.2020.

The Taxation and Other Laws (Relaxation Of Certain Provisions) Ordinance, 2020 has extended the time to file appeal to 30.06.2020, if the limitation period of filing of appeal falls in the period 02.03.20 to 29.06.2020 or such other date after 30.06.2020, as the Central Government may, notify by notification.

Thus, as per Ordinance 2020 read with section 253(3) , the limitation period of XYZ Ltd to file appeal has been extended and XYZ Ltd may file this appeal in ITAT on or before 30.06.2020 or such other date after the 30.06.2020, as the Central Government may notify, by notification. **(Reference: Annexure " A and E")**

Q 21 ABC Ltd. received penalty order u/s 271(1) (c) for the A.Y 2017-18 on 7.03.2020. ABC Ltd. was not be able to file that appeal before the CIT(A) due to lockdown in India from 20.03.2020. What is the remedy available with ABC Ltd?

Ans. As per section 249(2) of the Income Tax, the time limit for ABC Ltd. to file appeal before the CIT(A) against the penalty order has been defined below. The Section 249(2) is reproduced as:

*“249(2) The appeal shall be presented within thirty days of the following date —
(a) where the appeal is under Section 248, the date of payment of the tax, or
(b) where the appeal relates to any assessment or penalty, the date of service of the notice of demand relating to the assessment or penalty”*

Thus, as per above, the time limit for ABC Ltd. to file appeal before the CIT(A) against the penalty order is on or before the date 05.04.2020

The Taxation and Other Laws (Relaxation Of Certain Provisions) Ordinance, 2020 has extended the time to file appeal to 30.06.2020 if the limitation period of filing of appeal falls in the period 02.03.20 to 29.06.2020 or such other date after the 30.06.2020, as the Central Government may, notify by notification.

Thus, as per Ordinance 2020 read with section 253(3), the limitation period of ABC Ltd to file appeal has been extended and ABC Ltd may file this appeal in CIT(A) on or before 30.06.2020 or such other date after the 30.06.2020, as the Central Government may notify by notification.

(Reference: Annexure “ A”)

Q 22 During the assessment proceedings of A.Y. 2018-19 the assessing officer sent the matter of valuation of residential property sold by Mr. Ramesh to the District Valuation Officer (DVO) on 28.09.2019, but the DVO submitted his report on 15.04.2020 due to lockdown in India .
What is the status of the report as submitted by the DVO on 15.04.2020?

Ans. The limitation period to send valuation report by DVO is of six months from the month of reference sent for valuation u/s 142A to the DVO as explained below:

Section 142A (6) is reproduced as under:

The Valuation Officer shall send a copy of the report of estimate made under sub-section (4) or sub-section (5), as the case may be, to Assessing Officer and assessee, within a period of 6 months from the end of the month in which a reference is made under sub-section (1).”

Thus, as per above, the DVO should have submitted his valuation report by 31.03.2020. However, the Taxation and Other Laws (Relaxation Of Certain Provisions) Ordinance, 2020 has extended the time limit to submit such report to the 30.06.2020 or such other date after the 30.06.2020, as the Central Government may, notify by notification.

Thus, as per section 142A(6) read with Ordinance 2020 , the limitation period to send the valuation report has been extended and DVO may send valuation report on or before 30.06.2020 or such other date after 30.06.2020, as the Central Government may, notify by notification and the report submitted by DVO on 15.04.2020 is within the time limit as discussed above.

(Reference: Annexure " A")

Q 23 The Assessment order u/s 143(3) for the A.Y. 2015-16 was passed by the Assessing officer on 30.12.2017. The Pr. CIT / CIT has passed the revision order u/s 263 on 15.04.2020. What is status of order u/s 263 passed by the Pr. CIT / CIT since that order was passed after limitation period that is two years from the financial year in which the order was passed?

Ans. The limitation period to pass the order u/s 263 of the income Tax Act is two years from the end of FY in which such order was passed as explained below:

Section 263(2) is reproduced as under:

"263 (2) No order shall be made under sub-section (1) after the expiry of two years from the end of the financial year in which the order sought to be revised was passed."

Based on the above and the facts of the query, the Assessment order was passed on 30.12.2017 i.e. during the F.Y. 2017-18 and the two years got completed on 31.03.2020.

The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 has extended the time limit to pass that order to 30.06.2020 or such other date after the 30.06.2020, as the Central Government may, notify by notification. The limitation period is falling between 20.03.20 to 29.06.20. The Principle CIT/CIT could not pass that order due to lockdown in India.

Thus, the order u/s 263 passed by the Principle CIT is a valid order as that order is passed on 15.04.2020 before 30.06.2020 being the extended time given in ordinance 2020.

(Reference: Annexure " A")

Q 24 XYZ Ltd. had filed application u/s 264 on 05.01.2019 for revision of assessment order for the A.Y. 2017-18. The Principle CIT / CIT has passed the revision order u/s 264 on 18.04.2020. What is the status of revision order u/s 264 passed by the Pr. CIT / CIT since that order passed after limitation period i.e. one year from the financial year in which the application was filed?

Ans. As per section 264(6) of the Income Tax Act, 1961, the limitation period to pass the order u/s 264 of the Act is one year from the end of FY in which application for revision is filed. The relevant extract of the bare act has been given below:

“264 (6) On every application by an assessee for revision under this sub-section, made on or after the 1st day of October, 1998, an order shall be passed within one year from the end of the financial year in which such application is made by the assessee for revision”

The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 has extended the time limit to pass that order to 30.06.2020 or such other date after the 30.06.2020, as the Central Government may, notify by notification

Thus, the order u/s 264 passed by the Pr. CIT/CIT is valid order as that order is passed on 18.04.20 before 30.06.2020 being the extended time given in ordinance 2020.

(Reference: Annexure “ A”)

Q 25 The Keshav society registered under The Societies Registration Act on 02.01.2020 and was not able to file application u/s 12AA for registration under income Tax Act due to lock down on or before 31.03.2020. As per section 12A (2) of the income tax act, the Keshav society is not entitled to avail benefits in accordance with the provisions of Sec. 11 of the Income Tax Act, 1961 for the AY 2020-21. What is the option available with the Keshav society?

Ans. As per section 12A (2), the trust or institution eligible for benefit of provision of section 11 and 12 of the Income tax Act from FY in which application filed.
Section 12A (2) provides that,

“ Where an application has been made on or after the 1st day of June, 2007, the provisions of sections 11 and 12 shall apply in relation to the income of such trust or institution from the assessment year immediately following the financial year in which such application is made “

The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 has given a relief in this regard and allowed the extension for those whose limitation period falls within the period from the 20.03.20 to 29.06.20 or such other date after the 30th day of June 2020, as the Central Government may, notify by notification in this regard.

Thus, Keshav Society may file an application for registration u/s 12A of the Act on or before 30.06.2020 or such other date after the 30.06.2020, as the Central Government may, notify by notification on or in this regard and on registration granted the Keshav society will be entitled to file return of income in accordance with section 11 of the Income Tax Act, 1961 for the A.Y. 2020-21. **(Reference: Annexure “ A”)**

ANNEXURES

ANNEXURE A
ORDINANCE -2020-31.03.2020

संविदा सं: डी: एल:—(एन)04/0007/2003—20 REGISTERED NO. DL—(N)04/0007/2003—20


भारत का राजपत्र
The Gazette of India

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असाधारण

EXTRAORDINARY

भाग II—खण्ड 1

PART II—Section 1

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

से 21] नई दिल्ली, मंगलवार, मार्च 31, 2020/चैत्र 11, 1942 (शक)
No. 21] NEW DELHI, TUESDAY, MARCH 31, 2020/CHAITRA 11, 1942 (SAKA)

इस भाग में विन पृष्ठ संख्या दी जाती है जिससे कि वह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 31st March, 2020/Chaitra 11, 1942 (Saka)

**THE TAXATION AND OTHER LAWS (RELAXATION OF
CERTAIN PROVISIONS) ORDINANCE, 2020**

No. 2 of 2020

Promulgated by the President in the Seventy-first Year of the Republic of India.

An Ordinance to provide relaxation in the provisions of certain Acts and for matters connected therewith or incidental thereto.

WHEREAS, in view of the spread of pandemic COVID-19 across many countries of the world including India, causing immense loss to the lives of people, it has become imperative to relax certain provisions, including extension of time limit, in the taxation and other laws;

AND WHEREAS, Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance: -

CHAPTER I

PRELIMINARY

Short title and commencement.	1. (1) This Ordinance may be called the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020. (2) Save as otherwise provided, it shall come into force at once.	
Definitions.	2. (1) In this Ordinance, unless the context otherwise requires, -	
	(a) "specified Act" means-	
	(i) the Wealth-tax Act, 1957;	27 of 1957.
	(ii) the Income-tax Act, 1961;	43 of 1961.
	(iii) the Prohibition of <i>Benami</i> Property Transactions Act, 1988;	45 of 1988.
	(iv) Chapter VII of the Finance (No. 2) Act, 2004;	22 of 2004.
	(v) Chapter VII of the Finance Act, 2013;	17 of 2013.
	(vi) the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015;	22 of 2015.
	(vii) Chapter VIII of the Finance Act, 2016; or	28 of 2016.
	(viii) the Direct Tax <i>Vivad se Vishwas</i> Act, 2020;	3 of 2020.
	(b) "notification" means the notification published in the Official Gazette.	
	(2) The words and expressions used herein and not defined, but defined in the specified Act, the Central Excise Act, 1944, the Customs Act, 1962, the Customs Tariff Act, 1975 or the Finance Act, 1994, as the case may be, shall have the meaning respectively assigned to them in that Act.	1 of 1944. 52 of 1962. 51 of 1975. 32 of 1994.

CHAPTER II

RELAXATION OF CERTAIN PROVISIONS OF SPECIFIED ACT

Relaxation of certain provisions of specified Act.	3. (1) Where, anytime limit has been specified in, or prescribed or notified under, the specified Act which falls during the period from the 20 th day of March, 2020 to the 29 th day of June, 2020 or such other date after the 29 th day of June, 2020 as the Central Government may, by notification, specify in this behalf, for the completion or compliance of such action as-	
	(a) completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, by whatever name called, by any authority, commission or tribunal, by whatever name called, under the provisions of the specified Act; or	

- (b) filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other record, by whatever name called, under the provisions of the specified Act; or
- 43 of 1961. (c) in case where the specified Act is the Income-tax Act, 1961,-
- (i) making of investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, for the purposes of claiming any deduction, exemption or allowance under the provisions contained in-
- (I) sections 54 to 54GB or under any provisions of Chapter VI-A under the heading "B.—Deductions in respect of certain payments" thereof; or
- (II) such other provisions of that Act, subject to fulfillment of such conditions, as the Central Government may, by notification, specify; or
- (ii) beginning of manufacture or production of articles or things or providing any services referred to in section 10AA of that Act, in a case where the letter of approval, required to be issued in accordance with the provisions of the Special Economic Zones Act, 2005, has been issued on or before the 31st day of March, 2020,
- 28 of 2005.

and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action shall, notwithstanding anything contained in the specified Act, stand extended to the 30th day of June, 2020, or such other date after the 30th day of June, 2020, as the Central Government may, by notification, specify in this behalf:

Provided that the Central Government may specify different dates for completion or compliance of different actions.

Provided further that such action shall not include payment of any amount as is referred to in sub-section (2).

(2) Where any due date has been specified in, or prescribed or notified under, the specified Act for payment of any amount towards tax or levy, by whatever name called, which falls during the period from the 20th day of March, 2020 to the 29th day of June, 2020 or such other date after the 29th day of June, 2020 as the Central Government may, by notification, specify in this behalf, and such amount has not been paid within such date, but has been paid on or before the 30th day of June, 2020, or such other date after the 30th day of June, 2020 as the Central Government may, by notification,

specify in this behalf, then, notwithstanding anything contained in the specified Act,-

(a) the rate of interest payable, if any, in respect of such amount for the period of delay shall not exceed three-fourth per cent. for every month or part thereof;

(b) no penalty shall be levied and no prosecution shall be sanctioned in respect of such amount for the period of delay.

Explanation. - For the purposes of this sub-section, "the period of delay" means the period between the due date and the date on which the amount has been paid.

CHAPTER III

AMENDMENT TO THE INCOME-TAX ACT, 1961

Amendment of sections 10 and 80G of Act 43 of 1961. 43 of 1961.

4. In the Income-tax Act, 1961, with effect from the 1st day of April, 2020,-

(i) in section 10, in *clause* (23C), in sub-clause (i), after the word "Fund", the words and brackets "or the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND)" shall be inserted;

(ii) in section 80G, in sub-section (2), in clause (a), in sub-clause (iii), after the word "Fund", the words and brackets "or the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND)" shall be inserted.

CHAPTER IV

AMENDMENTS TO THE DIRECT TAX *VIVAD SE VISHWAS* ACT

Amendment of section 3 of Act 3 of 2020.

5. In section 3 of the Direct Tax *Vivad Se Vishwas* Act, 2020, -

(a) in third column, in the heading, for the figures, letters and words "31st day of March, 2020", the figures, letters and words "30th day of June, 2020" shall be substituted;

(b) in fourth column, in the heading, for the figures, letters and words "1st day of April, 2020", the figures, letters and words "1st day of July, 2020" shall be substituted.

CHAPTER V

RELAXATION OF TIME LIMIT UNDER CERTAIN INDIRECT TAX LAWS

Relaxation of time limit under Central Excise Act, 1944.

6. Notwithstanding anything contained in the Central Excise Act, 1944, the Customs Act, 1962 (except sections 30, 30A, 41, 41A, 1 of 1944, 52 of 1962.

Customs Act, 1962, Customs Tariff Act, 1975 and Finance Act, 1994.

46 and 47), the Customs Tariff Act, 1975 or Chapter V of the Finance Act, 1994, as it stood prior to its omission *vide* section 173 of the Central Goods and Service Tax Act, 2017 with effect from the 1st day of July, 2017, the time limit specified in, or prescribed or notified under, the said Acts which falls during the period from the 20th day of March, 2020 to the 29th day of June, 2020 or such other date after the 29th day of June, 2020 as the Central Government may, by notification, specify, for the completion or compliance of such action as-

51 of 1975,
32 of 1994.

(a) completion of any proceeding or issuance of any order, notice, intimation, notification or sanction or approval, by whatever name called, by any authority, commission, tribunal, by whatever name called; or

(b) filing of any appeal, reply or application or furnishing of any report, document, return or statement, by whatever name called,

shall, notwithstanding that completion or compliance of such action has not been made within such time, stand extended to the 30th day of June, 2020 or such other date after the 30th day of June, 2020 as the Central Government may, by notification, specify in this behalf.

Provided that the Central Government may specify different dates for completion or compliance of different actions under clause (a) or clause (b).

CHAPTER VI

AMENDMENT TO THE FINANCE ACT (NO. 2), 2019

7. In section 127 of the Finance Act (No.2), 2019, -

Amendment of
section 127 of
Act 23 of 2019.

(i) in sub-section (1), for the words "within a period of sixty days from the date of receipt of the said declaration", the words, figures and letters "on or before the 31st day of May, 2020" shall be substituted;

(ii) in sub-section (2), for the words "within thirty days of the date of receipt of the declaration", the words, figures and letters "on or before the 1st day of May, 2020" shall be substituted;

(iii) in sub-section (4), for the words "within a period of sixty days from the date of receipt of the declaration", the words, figures and letters "on or before the 31st day of May, 2020" shall be substituted;

(iv) in sub-section (5), for the words "within a period of thirty days from the date of issue of such statement", the words, figures

and letters "on or before the 30th day of June, 2020" shall be substituted.

CHAPTER VII

AMENDMENT TO THE CENTRAL GOODS AND SERVICES TAX ACT, 2017

Insertion of new section 168A in Act 12 of 2017.

Power of Government to extend time limit in special circumstances.

8. After section 168 of the Central Goods and Services Tax Act, 2017, the following section shall be inserted, namely:-

"168A. (1) Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, by notification, extend the time limit specified in, or prescribed or notified under, this Act in respect of actions which cannot be completed or complied with due to *force majeure*.

(2) The power to issue notification under sub-section (1) shall include the power to give retrospective effect to such notification from a date not earlier than the date of commencement of this Act.

Explanation.— For the purposes of this section, the expression "*force majeure*" means a case of war, epidemic, flood, drought, fire, cyclone, earthquake or any other calamity caused by nature or otherwise affecting the implementation of any of the provisions of this Act."

RAM NATH KOVIND,
President.

DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.

ANNEXURE B
TDS -TCS -FY 2020-21-31.03.2020

F.No. 275/25/2020-IT(B)
Government of India/ भारत सरकार
Ministry of Finance/ वित्त मंत्रालय
Department of Revenue/ (राजस्व विभाग)
Central Board of Direct Taxes/ (केन्द्रीय प्रत्यक्ष कर बोर्ड)

North Block, New Delhi
31st March, 2020

Subject: Order u/s 119 of The Income Tax Act, 1961 on issue of certificates for lower rate/nil deduction/collection of TDS or TCS u/s 195, 197 and 206C (9) – reg-

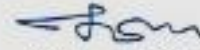
Due to outbreak of the pandemic Covid-19 virus, there is severe disruption in the normal working of almost all sectors, including functioning of the Income - tax Department. In such a scenario, the applications filed by the payees u/s 195 and 197 of the Act for lower or nil rate of deduction of TDS and applications by buyers/licensees/lessees u/s 206C (9) of the Act for lower or nil rate of collection of TCS for F.Y. 2020-21, have not been attended in a timely manner by the TDS/TCS-Assessing Officers, causing hardship to tax payers.

2. Considering the constraints of the Field Officers in disposing of the applications for lower or nil rate of TDS/TCS and to mitigate hardships of payees and buyers/licensees/lessees, the CBDT issues following directions/clarifications by exercise of its powers u/s 119 of the Act:

- a) All the assesseees who have filed application for lower or nil deduction of TDS/TCS on the Traces Portal for F.Y.2020-21 and whose applications are pending for disposal as on date and they have been issued such certificates for FY 2019-20, then such certificates would be applicable till 30.06.2020 of F.Y. 2020-21 or disposal of their applications by the Assessing Officers, whichever is earlier, in respect of the transaction and the deductor or collector if any, for whom the certificate was issued for F.Y. 2019-20.
- b) In cases where the assesseees could not apply for issue of lower or nil deduction of TDS/TCS in the Traces Portal for the FY 2020-21, but were having the certificates for F.Y. 2019-20, such certificate will be applicable till 30.06.2020 of F.Y. 2020-21. However, they need to apply at the earliest giving details of the transactions and the Deductor/Collector to the TDS/TCS Assessing Officer as per procedure laid down in sub-para c) below, as soon as normalcy is restored or 30.06.2020, whichever is earlier.
- c) In cases where the assessee has not applied for issue of lower or nil deduction of TDS/TCS in the Traces Portal, and he is also not having any such certificate for F.Y.2019-20, a modified procedure for application and

consequent handling by the TDS/TCS Assessing Officer is laid down which is enclosed as Annexure.

- d) On payments to Non-residents (including foreign companies) having Permanent Establishment in India and not covered by (a) and (b) above, tax on payments made will be deducted at the rate of 10% including surcharge and cess, on such payments till 30.06.2020 of F.Y. 2020-21, or disposal of their applications, whichever is earlier.



(Mahesh Kumar)

Director (IT-Budget), CBDT

Copy to:

1. PS to FM
2. PS to MoS (F)
3. OSD to Finance Secretary
4. Chairman, CBDT and all Members of CBDT
5. All Pr.CCsIT / Pr.DGsIT
6. All CCsIT /DGsIT
7. CIT(CPC-TDS) to compile and publish email Ids of all Assessing Officers concerned on CPC(TDS) portal or website www.incometaxindia.gov.in and to carry out necessary changes in software
8. Database Cell for uploading on the website www.irsolicersonline.gov.in
9. Web Manager www.incometaxindia.gov.in for uploading on website

ANNEXURE

Application for Lower/Nil Deduction Certificate: The applicant shall apply for the Lower/Nil deduction/collection certificate under sections 197/206C(9) of the Income Tax Act vide an e-mail addressed to the Assessing Officer concerned. The e-mail shall contain data/documents as under:

1. Duly filled in Form 13 (Annexure I and/or Annexure III)
2. The documents/information as required to be uploaded on TDS-CPC website while filling up of Form 13
3. Projected Balance Sheet and P&L account of FY 2020-21
4. Provisional Balance Sheet and P&L account of FY 2019-20
5. Balance Sheet and P&L account of FY 2018-19
6. Form 26AS for FY 2019-20 & 2018-19
7. ITR pertaining to FY 2018-19

For issue of certificates for lower/ nil deduction of tax under sections 195(2) and 195(3), the process of furnishing of applications will continue to be same with the modification that the applications will be filed via email and certificates will also be issued via email.

Issuance of the Certificate: The certificate(s) shall be issued up to 30.06.2020 or any other date (earlier than 30.06.2020) as specified by the AO. The Assessing Officer shall communicate the issuance of certificate vide mail containing following information:

S. No	TAN of the deductor	PAN of the Deductee	Financial Year	Section under which Tax at source is to be deducted/collected	Estimated amount of income/sum to be received/paid	Applicable rate of deduction/collection	Valid From Date	Valid to Date

The issuance of certificate shall be communicated to the applicant who in turn shall share the same with the deductor/collector.

ANNEXURE C
TDS TCS -FY 2019-20-03.04.2020

F.No. 275/25/2020-IT(B)
Government of India/ भारत सरकार
Ministry of Finance/ वित्त मंत्रालय
Department of Revenue/ (राजस्व विभाग)
Central Board of Direct Taxes/ (केन्द्रीय प्रत्यक्ष कर बोर्ड)

North Block, New Delhi
03 April, 2020

Subject: Order u/s 119 of the Income-tax Act, 1961 on issue of certificates for lower rate/nil deduction/collection of TDS or TCS u/s 195, 197 and 206C (9) of the Act for Financial Year 2019-20-reg-

Due to outbreak of pandemic Covid-19 virus, there is severe disruption in the normal working of almost all sectors of economy including functioning of the Income Tax Department. In such a scenario, the applications filed by the payees u/s 195 and 197 of the Act for lower or nil rate of deduction of TDS and by buyers/licensees/lessees u/s 206C (9) of the Act for lower rate of collection of TCS for F.Y. 2019-20, may not be attended in a timely manner by the TDS-Assessing Officers. This may cause genuine hardship to the payees and buyers/licensees/lessees who have raised the invoice in FY 2019-20 but have not received the payment for the same till date. As payees and buyers/licensees/lessees were not able to intimate the rate of deduction/collection on such amount to the payer and seller/licensor/lessor, this has created uncertainty about the rate at which the tax is to be deducted/collected by the payer and seller/licensor/lessor at the time of crediting/debiting the amount in his books of account for FY 2019-20.

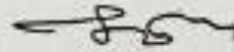
2. Considering the constraints of the Field Officers in disposing of the pending applications for lower or nil rate of TDS/TCS for FY 2019-20 and to mitigate hardships of payees and buyers/licensees/lessees, the CBDT issues following directions/clarifications by exercise of its powers u/s 119 of the Act.

3. In all the cases where assesseees (payees or buyers/licensees/lessees) have timely filed application for lower or nil deduction of TDS/TCS on the TRACES Portal for F.Y.2019-20 and such applications are pending for disposal as on date, the applicant shall intimate, vide an e-mail addressed to the Assessing Officer concerned, the pendency of such applications for FY 2019-20 for the lower/nil deduction/collection

certificate under sections 195, 197 or 206C(9) of the Income-tax Act along with the required documents and evidences of filing their application in TRACES Portal.

4. The Assessing Officer shall dispose of the applications by 27.04.2020 and communicate to the applicant regarding the issuance/rejection of certificate vide email. The certificate issued for lower/nil rate TDS or lower TCS shall be applicable for the amount credited/debited during the FY 2019-20 after the date of making of application u/s 195,197 or 206C(9) but remained unpaid or not received till the date of issuance of the certificate by the Assessing Officer.

5. The issuance of certificate shall be communicated to the applicant who in turn shall share the same with the deductor/collector.



(Mahesh Kumar)

Director (IT-Budget), CBDT

Copy to:

1. PS to FM
2. PS to MoS (F)
3. OSD to Finance Secretary
4. Chairman, CBDT and all Members of CBDT
5. All Pr.CCsIT / Pr.DGsIT
6. All CCsIT /DGsIT
7. CIT(CPC-TDS)
8. Database Cell for uploading on the website
www.irsolicersonline.gov.in
9. Web Manager www.incometaxindia.gov.in for uploading on website

ANNEXURE D
15H -15G -03.04.2020

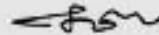
F.No. 275/25/2020-IT(B)
Government of India/ भारत सरकार
Ministry of Finance/ वित्त मंत्रालय
Department of Revenue/ (राजस्व विभाग)
Central Board of Direct Taxes/ (केन्द्रीय प्रत्यक्ष कर बोर्ड)

North Block, New Delhi
23 April, 2020

Subject - Order u/s 119 of the Income-tax Act, 1961 (the Act) regarding submission of Form 15G and 15H for Financial Year-2020-21-reg-

Due to outbreak of pandemic Covid-19 virus, there is severe disruption in the normal working of almost all sectors of economy including functioning of the Banks, other Institutions etc. Amidst such situation, there can be instances that some eligible persons may not be able to submit the Form 15G and 15H timely to the Banks, other Institutions etc. This would result into the deduction of TDS by the Banks and other Institutions even where there is no tax-liability. To mitigate the genuine hardship of such persons, the CBDT issues following directions/clarifications by exercise of its powers u/s 119 of the Act.

2. In case if a person had submitted valid Forms 15G and 15H to the Banks or other Institutions for F.Y. 2019-20, then these Form 15G and 15H will be valid up to 30.06.2020 for FY 2020-21 also. It is reiterated that the payer who has not deducted tax on the basis of said Forms 15G and 15H, shall require to report details of such payments/credits in the TDS statement for the quarter ending 30.06.2020 in accordance with the provisions of rule 31A(4)(vii) of the Income-tax Rules, 1962.



(Mahesh Kumar)

Director (IT-Budget), CBDT

Copy to:

1. PS to FM
2. PS to MoS (F)
3. OSD to Finance Secretary
4. Chairman, CBDT and all Members of CBDT
5. All Pr.CCsIT / Pr.DGsIT
6. All CCsIT /DGsIT
7. CIT(CPC-TDS)
8. Database Cell for uploading on the website
www.jsofficeronline.gov.in
9. Web Manager www.incometaxindia.gov.in for uploading on website

ANNEXURE – E
TDS TCS clarification on 31.03.2020-03.04.2020 dt 09.04.2020

F.No. 275/25/2020-IT(B)
Government of India/ भारत सरकार
Ministry of Finance/ वित्त मंत्रालय
Department of Revenue/ (राजस्व विभाग)
Central Board of Direct Taxes/ (केन्द्रीय प्रत्यक्ष कर बोर्ड)

North Block, New Delhi
09, April, 2020

Sub: Clarification on orders dated 31.03.2020 and 03.04.2020 issued under section 119 of the Income-tax Act, 1961 (the Act) by CBDT vide F. No. 275/25/2020-IT(B) regarding issuance of certificate for lower rate/nil deduction/collection of TDS/TCS u/s 195,197 and 206C (9) of the Income-tax Act, 1961-reg-

Representations have been received, seeking further clarifications on orders dated 31.03.2020 and 03.04.2020 issued under section 119 of the Act by CBDT vide F. No. 275/25/2020-IT(B) regarding issuance of certificate for lower rate/nil deduction/collection of TDS/TCS u/s 195,197 and 206C (9) of the Act. The matter has been examined in the Board and following clarifications w.r.t. above are issued:

- (i) Issue of validity period of lower/nil deduction/collection certificates of F.Y. 2019-20:

For the purpose of Para 2 (a) and 2 (b) of the order dated 31.03.2020, the lower/nil deduction/collection certificates will be valid for the particular period for which these were issued for F.Y. 2019-20 and also for further period from 01.04.2020 to 30.06.2020 for F.Y. 2020-21 subject to conditions as mentioned in the order dated 31.03.2020. For example, if a certificate was issued for a period from 01.10.2019 to 15.12.2019, the same shall be valid for F.Y. 2019-20 for the period from 01.10.2019 to 15.12.2019, and for F.Y. 2020-21 the same shall be valid from 01.04.2020 to 30.06.2020 subject to conditions as mentioned in the order dated 31.03.2020.

- (ii) Issue of threshold/transaction limit for lower/nil deduction/collection certificates of F.Y. 2019-20:

For the purpose of Para 2 (a) and 2 (b) of the order dated 31.03.2020, threshold/transaction limit mentioned in lower/nil deduction /collection certificate issued for F.Y. 2019-20 will be taken fresh for period from 01.04.2020 to 30.06.2020 for F.Y. 2020-21 and the amount of threshold limit will be the same as was assigned for these certificates for F.Y. 2019-20 subject to other conditions mentioned in the order dated 31.03.2010.

(iii) **Issue of approval and communication of lower/nil deduction/collection certificates:**

Official emails or other electronic communication may be used by field authorities of Income Tax Department for internal approval for issue of lower/nil deduction/collection certificates and for communication of the same .

(iv) **Issue of new/different TAN mentioned for lower/nil deduction/collection application for FY 2020-21 or revision of rates mentioned in certificates of FY 2019-20:**

In case the payee or buyer/licensee/lessee taxpayer had a certificate for lower deduction for FY 2019-20 and an application has been made for FY 2020-21 for a new / different TAN mentioned in the application, the relaxation as provided in Para 2(a) and 2(b) of the order dated 31.03.2020 shall not apply to such cases and they have to apply afresh as per procedure, mentioned in annexure of the above mentioned order. Similarly, if the rates of TDS/TCS mentioned in old certificates are higher and the taxpayer wants revision of the rates in view of impact of Covid-19 outbreak on its business, the relaxation as provided in Para 2(a) and 2(b) of the order dated 31.03.2020 shall not apply to such cases and they will have to follow the procedure mentioned in the annexure of the above mentioned order and apply afresh.

This issues with the approval of Member (IT&R), CBDT.


(Mahesh Kumar)

Director (IT-Budget), CBDT

Copy to:

1. PS to FM
2. PS to MoS (F)
3. OSD to Finance Secretary
4. Chairman, CBDT and all Members of CBDT
5. Pr. DGIT (Systems) to specify the procedure
6. All Pr.CCsIT / Pr.DGsIT
7. All CCsIT /DGsIT
8. CTT(CPC-TDS)
9. Database Cell for uploading on the website www.irs.officersonline.gov.in
10. Web Manager www.incometaxindia.gov.in for uploading on website

ANNEXURE F
ITAT-office Order-30.03.2020

F.No.233-Ad(AT)/2019-20
INCOME TAX APPELLATE TRIBUNAL
Pratishtha Bhawan, 3rd & 4th Floors,
101, M.K. Marg, Mumbai - 400020

Date : 30th March, 2020

OFFICE ORDER

In continuation of earlier Office Order of the Income Tax Appellate Tribunal of even number dated 20th March, 2020 postponing the filing of the appeals and cross-objections before all Benches of the ITAT up to 1st April, 2020, and in view of the complete lockdown of three weeks up to 14th April, 2020 declared by the Government of India to contain the spread of Novel Coronavirus (COVID-19) in the country, as also the binding judgement of Hon'ble Supreme Court in Suo Motu Writ Petition (Civil) No(s).3/2020 dated 23rd March, 2020 extending the period of limitation in filing the appeals prescribed under the general law or Special Laws (both Central and/or State) in all such proceedings, whether condonable or not, with effect from 15th March, 2020 till further order/s in respect of the Courts/Tribunals across the country, it has been decided to further postpone the filing of appeals and cross-objections before all Benches of the ITAT till further orders.

2. Considering the gravity of the present situation, all concerned are requested to cooperate.


[JUSTICE P.P. BHATT]
PRESIDENT

Copies to : All concerned.

Deputy Registrar

ANNEXURE – G SUPREME COURT LIMITATION PERIOD

1

ITEM NO.12

COURT NO.1

SECTION PIL-W

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

SUO MOTU WRIT PETITION (CIVIL) No(s).3/2020

IN RE : COGNIZANCE FOR EXTENSION OF LIMITATION

Date : 23-03-2020 This petition was taken up suo motu for hearing today.

CORAM :

**HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE L. NAGESWARA RAO
HON'BLE MR. JUSTICE SURYA KANT**

By Courts Motion

COUNSEL PRESENT

**Mr. Tushar Mehta, SG
Ms. Swati Ghildiyal, Adv.
Mr. Ankur Talwar, Adv.
Mr. G.S. Makkar, Adv.
Mr. Raj Bahadur, Adv.
Mr. B.V. Balaram Das, AOR**

Mr. Dushyant Dave, Sr. Adv.

**UPON hearing the counsel the Court made the following
O R D E R**

This Court has taken Suo Motu cognizance of the situation arising out of the challenge faced by the country on account of Covid-19 Virus and resultant difficulties that may be faced by litigants across the country in filing their petitions/applications/suits/ appeals/all other proceedings within the period of limitation prescribed under the general law of

Signature valid



limitation or under Special Laws (both Central and/or State).

To obviate such difficulties and to ensure that lawyers/litigants do not have to come physically to file such

2

proceedings in respective Courts/Tribunals across the country including this Court, it is hereby ordered that a period of limitation in all such proceedings, irrespective of the limitation prescribed under the general law or Special Laws whether condonable or not shall stand extended w.e.f. 15th March 2020 till further order/s to be passed by this Court in present proceedings.

We are exercising this power under Article 142 read with Article 141 of the Constitution of India and declare that this order is a binding order within the meaning of Article 141 on all Courts/Tribunals and authorities.

This order may be brought to the notice of all High Courts for being communicated to all subordinate Courts/Tribunals within their respective jurisdiction.

Issue notice to all the Registrars General of the High Courts, returnable in four weeks.

(SANJAY KUMAR-II)
ASTT. REGISTRAR-cum-PS

(MUKESH NASA)
COURT MASTER

(INDU KUMARI POKHRIYAL)
ASSISTANT REGISTRAR

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