

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

[As Promulgated by Hon'ble President of India on 31.03.2020]

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Introduction

- ❑ It may be noted that the outbreak of pandemic Novel Corona Virus (COVID-19) across many countries of the world has caused immense loss to the lives of people. Social distancing has been unequivocally accepted to be the best way to contain its spread, leading to announcement of complete lockdown in the country.
- ❑ Keeping in view the challenges faced by taxpayers in meeting the compliance requirements under such conditions, the Union Finance Minister had announced several relief measures relating to statutory and regulatory compliance matters across sectors in view of COVID-19 outbreak on 24.03.2020 vide a press release.
- ❑ In order to give effect to the announcements made by the Union Finance Minister vide Press Release dated 24.03.2020, the government has brought in an Ordinance on 31.03.2020 which provides for extension of various time limits under the Taxation and Benami Acts. It also provides for extension of time limits contained in the Rules or Notification which are prescribed/ issued under these Acts.

Extension of time limits prescribed under specified acts [Section 3(1)]

Where, anytime limit has been specified in, or prescribed or notified under, the specified Act 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, 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
- (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,

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).

Analysis

1. The Ordinance provides for extension of various time limits prescribed under the specified acts, due to be complied between 20.03.2020 and 29.06.2020 till 30.06.2020 or till any other date as may further be extended by CG later on.
2. These time limits includes time limit for:
 - a. Completion of any proceedings, passing of any order, by any authority, commission or tribunal, by whatever name called, under the provisions of the specified Act or
 - b. Issuance of any notices, intimations, notifications, sanctions or approval by any authority, commission or tribunal, by whatever name called, under the provisions of the specified Act or
 - c. Filing of any appeal, reply or application under the provisions of the specified Act or
 - d. Furnishing of any report, document, return, statement under the provisions of the specified Act or
3. Further, due dates for making investments in schemes prescribed under Chapter VI-A of the Income Tax Act, 1961 for the purpose of claiming deduction therein for FY 2019-20 have been extended.
4. Due dates for making investment, deposit, acquisition, construction for the purpose of claiming exemptions u/s 54 to 54GB of the Income Tax Act, 1961 have been extended.
5. Due date for commencement of production or provisioning of services by SEZ Units for claiming deduction u/s 10AA of the Income Tax Act, 1961 have been extended if the necessary approval have been obtained till 31.03.2020.

List of Specified Acts for the purpose of Relaxations prescribed u/s 3 of the Ordinance [Section 2(1)]

(a) "Specified Acts" means -

- i. The Wealth Tax Act, 1957;
- ii. The Income Tax Act, 1961;
- iii. The Prohibition of Benami Property Transactions Act, 1988;
- iv. Chapter VII of Finance (No. 2) Act, 2004;
- v. Chapter VII of Finance Act, 2013;
- vi. The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015;
- vii. Chapter VIII of Finance Act, 2016; or
- viii. The Direct Tax Vivad Se Vishwas Act, 2020;

List of Time Limits Extended vide Ordinance in respect of Income Tax Act, 1961

Section	Particulars	Original Due Date	Extended Due Date*
	Passing of Order or issuance of notice, notifications, sanction or approval by the authorities, commissioners or tribunal; and	Due Date falling between 20-03-2020 to 29-06-2020**	30-06-2020
	Filing of appeal, reply or application or furnishing of any report, document etc.	Due Date falling between 20-03-2020 to 29-06-2020**	30-06-2020
139(4)	Filing of belated return for the AY 2019-20	31-03-2020	30-06-2020
139(5)	Filing of revised return for the AY 2019-20	31-03-2020	30-06-2020

* CG may extend this date to such further date falling after 30-06-2020 by issuing a notification.

** CG may specify such other date falling after 29-06-2020 by issuing a notification in this behalf.

Section	Particulars	Original Due Date	Extended Due Date*
143(1)	Sending an intimation after processing of ITR, if the return is filed: a) During FY 2018-19 u/s 139; b) During FY 2018-19 in response to a notice issued u/s 142(1)	31-03-2020	30-06-2020
149	Time-limit to issue a reassessment notice for: a) AY 2015-16 and onwards if escaped income is less than Rs. 1 lakh; b) AY 2013-14 if escaped income is more than Rs. 1 lakh; c) AY 2003-04 if escaped income is related to any asset (including financial interest in any entity) located outside India; d) AY 2013-14, to a person who has been treated as an agent of a non-resident u/s 163	31-03-2020	30-06-2020

* CG may extend this date to such further date falling after 30-06-2020 by issuing a notification.

Section	Particulars	Original Due Date	Extended Due Date*
Sec. 139A	Application for allotment of PAN: a) in case of non-individual resident person, which enters into a financial transaction of Rs. 2.5 lakhs or more during FY 2019-20 and hasn't been allotted any PAN; b) in case of person being managing director, director, partner, trustee, author, founder, karta, CEO, principal officer or office bearer of the person referred to in Rule 114(3)(v) or any person competent to act on behalf of the person referred to in Rule 114(3)(v) and who has not been allotted any PAN	31-05-2020	30-06-2020
Sec. 139AA	Linking of Aadhaar No. with PAN	31-03-2020	30-06-2020
Section 139AA r.w.r 114AAA	PAN to be treated as inoperative due to non-linking it with Aadhaar number	31-03-2020	30-06-2020

* CG may extend this date to such further date falling after 30-06-2020 by issuing a notification.

Section	Particulars	Original Due Date	Extended Due Date*
Sec. 200 r.w.r. 31A	Furnishing of TDS Statement for the fourth quarter of the Financial Year 2019-20	31-05-2020	30-06-2020
Sec. 200 r.w.r. 31A	Furnishing of TDS Statement in form 26QB/ 26QC/ 26QD for the month of: - February, 2020 - March, 2020 - April, 2020	30-03-2020 30-04-2020 30-05-2020	30-06-2020 30-06-2020 30-06-2020
Sec. 203 r.w.r. 31	Issue of TDS Certificates: - Form 16 (<i>TDS on Salary paid for FY 2019-20</i>) - Form 16A (<i>TDS on Payments other than Salary for the Quarter ending on 31.03.2020</i>) - Form 16B/ 16C/ 16D (<i>TDS u/s 194-IA/ 194-IB/ 194M for the month of:</i> - <i>March, 2020</i> - <i>April, 2020</i>	15-06-2020 15-06-2020 15-05-2020 14-06-2020	30-06-2020 30-06-2020 30-06-2020 30-06-2020

* CG may extend this date to such further date falling after 30-06-2020 by issuing a notification.

Section	Particulars	Original Due Date	Extended Due Date*
Sec. 206C r.w.r. 31AA	Furnishing of TCS Statement for the fourth quarter of the Financial Year 2019-20	15-05-2020	30-06-2020
Sec. 206C r.w.r. 37D	Furnishing of TCS Statement for the fourth quarter of the Financial Year 2019-20	30-05-2020	30-06-2020
Sec. 206C r.w.r. 37CA and Sec. 192(1A) r.w.r. 30	Furnishing of Form 24G by an office of Government for the month of: - March, 2020 - April, 2020 - May, 2020	30-04-2020 15-05-2020 15-06-2020	30-06-2020 30-06-2020 30-06-2020
Sec. 200A & Sec 306CB	Due date to send the intimation for processing of statement of TDS/TCS filed during the Financial Year 2018-19	31-03-2020	30-06-2020

* CG may extend this date to such further date falling after 30-06-2020 by issuing a notification.

Section	Particulars	Original Due Date	Extended Due Date*
Sec. 10AA	Commencement of operation by the SEZ units for claiming deduction under section 10AA <i>Note: If necessary approval is received by SEZ units on or before March 31, 2020</i>	Due Date falling between 20-03-2020 to 29-06-2020**	30-06-2020
Sec. 54 to Sec. 54GB	Making Investments or completing construction/purchase for claiming deduction from capital gains arising during the FY 2019-20.	Due Date falling between 20-03-2020 to 29-06-2020**	30-06-2020
Chapter VI-A (Part B)	Making various tax saving investments or payments for the FY 2019-20 (<i>Sec. 80C to 80GGC</i>)	31-03-2020	30-06-2020
Sec. 285BA r.w.r. 114E	Furnishing of Statement of Financial Transactions (SFT) for the FY 2019-20	31-05-2020	30-06-2020

* CG may extend this date to such further date falling after 30-06-2020 by issuing a notification.

** CG may specify such other date falling after 29-06-2020 by issuing a notification in this behalf.

Reduction of Interest payable on tax due to be paid between 20.03.2020 and 29.06.2020 under specified acts [Section 3(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.

Analysis

1. The Ordinance provides for reduction in rate of interest applicable on taxes or levy due for payment between 20.03.2020 and 29.06.2020 under various provisions of the specified acts to 0.75% per month or part of the month if such tax or levy is paid after such due date but before 30.06.2020 any other date as may further be extended by CG later on. In case, such tax is paid after 30.06.2020 or any other date as may further be extended by CG later on, interest shall be chargeable at prescribed rate only for complete period i.e. from the date such tax becomes due till the date of actual payment.
2. Also, neither penalty shall be levied nor prosecution shall be sanctioned in case of failure on part of the assessee to make such payment of tax on or before due dates prescribed under the respective legislation.

PM CARES FUND [Section 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 (ilia), 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.

Analysis

1. The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) has been set up by the Central Government on 28-03-2020 following the COVID-19 pandemic in India. The fund will be used for combating the Coronavirus outbreak and similar pandemic like situations in the future.
2. To encourage donations to PM CARES Fund, the Government has amended Section 80G of the Income-tax Act, 1961 through this ordinance, to allow 100% deduction of amount donated to PM CARES Fund from his total Income. Further, provision of section 80G(4) of the Income Tax Act, 1961 restricting total deduction to maximum of 10% of total income is also not applicable in this respect.
3. Provisions of Section 10(23C) of the Income Tax Act, 1961 have been amended to provide that income of PM CARES Fund shall be exempt.

Extract of Press Release dated 31.03.2020

4. As the date for claiming deduction u/s 80G under IT Act has been extended up to 30.06.2020, the donation made up to 30.06.2020 shall also be eligible for deduction from income of FY 2019-20. Hence, any person including corporate paying concessional tax on income of FY 2020-21 under new regime can make donation to PM CARES Fund up to 30.06.2020 and can claim deduction u/s 80G against income of FY 2019-20 and shall also not lose his eligibility to pay tax in concessional taxation regime for income of FY 2020-21.

Analysis

1. As per the press release, donation made to PM CARES Fund till 30.06.2020 shall be eligible for claiming deduction u/s 80G of the Income Tax Act, 1961 for FY 2019-20.
2. Further, any person including corporate assessee opting to pay concessional tax on the income for FY 2020-21 under the new regime can, claim deduction u/s 80G of the Income Tax Act, 1961 against total income for FY 2019-20 without losing its eligibility to opt for such concessional rate of tax regime in FY 2020-21.
3. However, if any assessee claims deduction u/s 80G of the Income Tax Act, 1961 against the total income for FY 2020-21, such assessee shall not be eligible to opt for such concessional rate of tax regime.

Amendment to Vivad Se Vishwas Scheme [Section 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 “31’ 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 “1 “day of April, 2020”, the figures, letters and words “1 ‘day of July, 2020” shall be substituted.

Analysis

1. Through this ordinance, provisions of Vivad Se Vishwas Scheme have been amended to extend the period of filing declaration under the scheme and payment of tax without payment of additional tax till 30.06.2020 as against 31.03.2020 originally prescribed under the said act.
2. The additional payment at the rate of 10% shall be applicable in case of payment being made by the applicant after 30.06.2020 as against 31.03.2020 originally prescribed under the said act.

Amendment to Indirect Tax Laws [Section 6]

Notwithstanding anything contained in the Central Excise Act, 1944, the Customs Act, 1962 (except sections 30, 30A, 41, 41A, 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-

- (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).

Analysis

1. Through this ordinance, time limits for completion of various proceedings or issuance of any order, notice, intimation, notification, sanction or approval by any authority under the Central Excise Act, 1944, Customs Act, 1962, Custom Tariff Act, 1975 or Chapter V of the Finance Act, 1994, falling due or time barred between period of 20.03.2020 to 29.06.2020 have been extended till 30.06.2020.
2. Further, filing of any report, document, return or statement by the taxpayer or filing of any appeal, reply or application due to be time barred between the period of 20.03.2020 to 29.06.2020 have been extended till 30.06.2020.

Amendment to Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 [Section 7]

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

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

Analysis

1. Through this ordinance, designated committee shall be required to issue Form SVLDRS-3 on or before 31.05.2020 if the amount declared by the applicant in Form SVLDRS-1 is equal to the amount estimated by the designated committee.
2. However, in case the amount declared by the applicant is lower than the amount estimated by the designated committee, an notice for personal hearing alongwith Form SVLDRS-2 indicating amount estimated by designated committee to be paid by the applicant, shall be issued on or before 01.05.2020 by the designated committee. After hearing the declarant, the designated committee shall issue statement in Form SVLDRS-3 on or before 31.05.2020 indicating the amount to be paid by the declarant.
3. Further, time limits for payment of amount finalized by designated committee in Form SVLDRS-3 have been extended till 30.06.2020 as against the existing time limit of payment within 30 days from the issue of such form by the designated committee.

Amendment to CGST Law [Section 8]

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

Power of Government to extend time limit in special circumstances

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.

Analysis

1. Through this ordinance, a new Section 168A have been inserted in the CGST Act, 2017, which empowers the Government to extend the time limit, on the recommendations of GST Council, in respect of actions which could not be completed due to force majeure, namely, war, epidemic, flood, drought, etc. or any other calamity caused by nature affecting the implementations of provisions of CGST Act, 2017.
2. Further, as per the press release dated 24.03.2020, the government intends to extended the due dates for various GST Compliances till 30.06.2020. For such extension of time limits, this enabling section have been inserted in the CGST Act, 2017.

Proposed Extended due dates under CGST Law

[Press Release dated 24.03.2020]

As per the press release dated 24.03.2020,

- ❑ Due dates for furnishing of Form GSTR 3B/ GSTR 5/ GSTR 5A for the period of February, March, April and May, 2020 proposed to be extended till 30.06.2020
- ❑ Due dates for furnishing of Form GSTR 1 for the period of February, March and April, 2020 or quarterly for the period January to March 2020 proposed to be extended till 30.06.2020
- ❑ Due dates for furnishing of Form GSTR 6/ GSTR 7/ GSTR 8 for the period of March, April and May, 2020 proposed to be extended till 30.06.2020
- ❑ Due dates for furnishing of Form CMP-02 for the FY 2020-21 for opting for composition scheme, proposed to be extended till 30.06.2020
- ❑ Due Date for filing of Form CMP-08 / GSTR – 4 proposed to be extended till 30.06.2020.
- ❑ Due Date for filing of Annual Return and Audit Report for FY 2018-19 proposed to be extended till 30.06.2020.

Further, in respect of the interest chargeable on late payment of tax, it has been proposed as under:

- ❑ Registered persons whose aggregate annual turnover is less than Rs. 5 Crore, no interest, late fee and penalty shall be charged from him if he files the returns by 30-06-2020.
- ❑ Registered persons with an aggregate annual turnover of Rs. 5 crores or more, interest at the lower rate of 9% per annum shall be levied from 15 days after the due date, however, no late fee and penalty to be charged, if return filing is completed till 30-6-2020.

Note: These extension are still to be notified by the Government.

THANK YOU..!!

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