



1 April 2020

Since the outbreak of COVID-19 pandemic, the Indian government has announced a slew of measures to alleviate hardships caused to Indian citizens and corporates at large, particularly with regard to matters involving compliance with statutory and regulatory timelines. In order to give effect to some of the relief announcements, the government has promulgated an Ordinance,

titled as 'The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020' (the **Ordinance**).

The Ordinance provides for extension of time limits under the Specified Acts¹, as follows:

| No. | Statute/Law | Obligation | Old date | New Date |
|-----------------------|---|---|--|--------------|
| Direct Taxes | | | | |
| 1. | Income Tax Act, 1961 | Filing of original as well as revised income-tax returns for the financial year 2018-19 | 31 March 2020 | 30 June 2020 |
| 2. | Income Tax Act, 1961 | Linking of Aadhaar and PAN cards | 31 March 2020 | 30 June 2020 |
| 3. | Income Tax Act, 1961 | Making prescribed investments under Chapter VI-A and/or construction/purchase for the purpose of availing investments linked deductions and/or for the purpose of claiming roll over benefit or deduction in respect of capital gains | 20 March 2020 till 29 June 2020 | 30 June 2020 |
| 4. | Specified Acts ¹ | Statutory time limit for passing of orders or issuance of notices or completion of any proceedings, by the government authorities or commission or tribunal | 20 March 2020 till 29 June 2020 | 30 June 2020 |
| 5. | Specified Acts ¹ | Filing of any appeals, reply or application or furnishing of any report, document, return, statement or any other record | 20 March 2020 till 29 June 2020 | 30 June 2020 |
| 6. | Direct Tax Vivad se Vishwas Act, 2020 | Payment of disputed tax for the taxpayers that have decided to avail the Direct Tax amnesty scheme - 'Vivaad Se Vishwas Scheme', without any additional payment | 31 March 2020 | 30 June 2020 |
| 7. | Income Tax Act, 1961 | Commencement of operation for the SEZ units, which have received necessary approval by 31 March 2020, for the purpose of claiming direct tax incentives | 20 March 2020 till 29 June 2020 | 30 June 2020 |
| Indirect Taxes | | | | |
| 8. | Central Excise Act, 1944 | Last date of furnishing of the Central Excise returns due in March, April, and May 2020 | 10th day of subsequent month | 30 June 2020 |
| 9. | Central Excise Act, 1944, Customs Act, 1962, Chapter V of Finance Act, 1994 | Last date for filing of appeal and refund applications, under the Central Excise Act, 1944, Customs Act, 1962 or relating to Service Tax | Wherever the limitation period for filing such appeal, reply, refund application was expiring between 20 March 2020 and 29 June 2020 | 30 June 2020 |
| 10. | Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 | Last date for making payment to avail of the benefit under Sabka Vishwas Legacy Dispute Resolution Scheme 2019 | Within 30 days of receipt of statement issued by designated committee | 30 June 2020 |

¹ Wealth Tax Act, 1957, Income-tax Act, 1961, Prohibition of Benami Property Transaction Act, 1988, Chapter VII of Finance (No.2) Act, 2007, Black Money Act, Chapter VIII of Finance Act, 2016, Direct Tax Vivad se Vishwas Act, 2020.



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Other changes under the Ordinance:

- In respect of taxes and other levies such as advance tax, TDS, TCS, Equalization Levy, Securities Transaction Tax, and Commodities Transaction Tax, payments of which are due between 20 March 2020 and 29 June 2020, it has been provided that in case of a default, the interest rate for the default period cannot exceed 0.75% per month or part thereof, if the dues are paid by 30 June 2020. Further, no penalty/prosecution will be initiated for these non-payments.
- The Ordinance also amends section 80G of the Income Tax Act, 1961 to provide for a 100% deduction (without any upper cap) to donors on donations made to PM CARES Fund.
- CGST Act, 2017 has been amended to empower the Government to extend due dates for various compliances inter-alia including statement of outward supplies, filing refund claims, filing appeals, etc. specified, prescribed or notified under the Act, on recommendations of the GST Council.

Unchanged timelines:

- The Ordinance does not postpone the due dates for payment of taxes; and
- The Ordinance does not provide any concession in the levy of interest rate on default of payment of taxes falling due before

20 March 2020 or after 29 June 2020. Below is the illustrative list of few timelines, which are not impacted by the Ordinance:

| No. | Statute | Obligation | Due Date |
|-----|----------------------|---|---------------|
| 1. | Income Tax Act, 1961 | Advance tax last instalment date for FY 2019-20 | 15 March 2020 |
| 2. | Income Tax Act, 1961 | Payment of Tax Deduction at Source ('TDS') for month of February 2020 | 7 March 2020 |
| 3. | Income-Tax Act, 1961 | Filing of TDS Returns for the quarter ending June 2020 | 30 July 2020 |
| 4. | Income-tax Act, 1961 | Payment of TDS for month of June 2020 | 7 July 2020 |
| 5. | Income-tax Act, 1961 | Payment of TCS for the month of February 2020 | 7 March 2020 |

The promulgation of the Ordinance is well-timed and acknowledges the present exigencies that are unprecedented. Relaxation of the statutory timelines was need of the hour, given the disruptions caused due to COVID-19 pandemic. Taxpayers and business community at large would expect many such relief measures that serve the dual end of relaxing statutory and regulatory compliances and providing stimulus packages to counter the adverse impact of the pandemic on Indian economy.

Disclaimer

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