

AKGVG & Associates

ATMANIRBHAR BHARAT

Synopsis of Direct Tax Updates



Contents

1. TDS and TCS Rates
2. Vivad Se Vishwas Act, 2020
3. Income Tax Refunds
4. Due dates for ITR and Tax Audit Report Filing for AY 2020-21
5. Assessment Completion due dates



TDS Rates

- ❖ Rates of TDS for Non Salaried Specified payments made to Residents are reduced by 25% of the existing rates. This had took effect from 14th of May 2020 till 31st March 2021. Therefore, the effective rates will be al follows:

S. No.	Section and Nature of Payment	Existing Rate	Reduced Rate
1.	193 – Interest on Securities	10%	7.5%
2.	194 – Dividend	10%	7.5%
3.	194A – Interest other then “Interest on Securities”	10%	7.5%
4.	194C – Payment to Contractors	1% or 2%	0.75% or 1.5%
5.	194D – Insurance Commission	5%	3.75%
6.	194DA – Payment in Respect of Life Insurance Policy	5%	3.75%
7.	194EE – Payment in Respect of Deposits under NSS	10%	7.5%
8.	194FF – Payment on account of Repurchase of units by Mutual Funds or UTI	20%	15%

TDS Rates

S. No.	Section and Nature of Payment	Existing Rates	Reduced Rates
9.	194G – Commission, etc on sale of Lottery Tickets	5%	3.75%
10.	194H – Commission or Brokerage	5%	3.75%
11.	194I – Payments regarding Rents	2% or 10%	1.5% or 7.5%
12.	194IA – Payments for transfer of immovable Property other than agricultural land	1%	0.75%
13.	194IB – Payments of Rent by Individual or HUF	5%	3.75%
14.	194IC – Payments for Joint Development Agreement	10%	7.5%
15.	194J – Fees for Professional or Technical Services.	2% or 10%	1.5% or 7.5%
16.	194LA – Payments for Compensation on acquisition of certain immovable property.	10%	7.5%
17.	194LBA – Certain Income form units of Business trust	10%	7.5%
18.	194LBB – Income form units of Investment Fund	10%	7.5%

TDS Rates

S. No.	Section and Nature of Payment	Existing Rate	Reduced Rate
19.	194LBC – Income from Investment in Securitization Trust	25% or 30%	18.75% or 22.5%
20.	194M – Payments of Certain Sums by Certain Individuals or HUF	5%	3.75%
21.	194N – Withdrawal of Cash	2% or 5%	1.5% or 3.75%
22.	194O – TDS on Ecommerce Activities (w.e.f. 1 st Oct, 2020)	1%	0.75%

Other Points

❖ No Change in TDS in following Cases:

- i. If Pan in Not Available
- ii. In case of Payment of Salaries
- iii. In case of Non Residents

TCS Rates

Likewise TDS, TCS rates are also reduced by 25% which already took effect from 14th May 2020 and will remain effected till 31st March 2021. Entire Provision of TDS are provided in **section 206C**.

S. No.	Nature of Receipt	Existing Rate	Reduced Rate
1.	Sale of Tendu Leaves	5%	3.75%
2.	Sale of Timber	2.5%	1.875%
3.	Sale of other forest Produce	2.5%	1.875%
4.	Sale of Scrap	1%	0.75%
5.	Sale of minerals being Coal or Lignite or Iron ore	1%	0.75%
6.	Grant of License, lease etc of Parking Lot, Toll Plaza, Mining and Quarrying	2%	1.5%
7.	Sale of Motor Vehicle Above Rs. 10 Lakhs	1%	0.75%

TCS Rates

Following TCS provisions will take effect from 1st of October 2020 as these are introduced by Finance Act, 2020. But rates mentioned in the Finance Act, 2020 are also reduced by 25% for this Year.

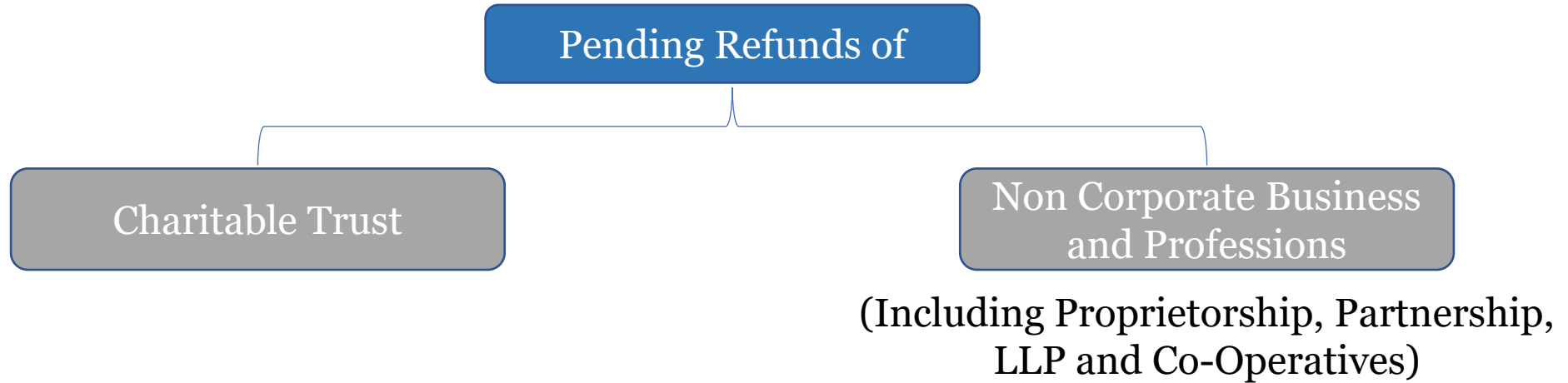
S. No.	Nature of Receipt	Existing Rate	Reduced Rate
1.	Sale of any other Goods	0.1%	0.075%
2.	Transfer under Liberalized Remittance Scheme	0.5% or 5%	0.375% or 3.75%

Also note that, Rates of TDS and TCS are reduced but there is no change in the Instalments of Advance tax for which first instalment is due on 15th June 2020. Therefore, each assessee who is required to pay Advance tax is required to recalculate the amount of advance tax considering this reduction in TDS and TCS to avoid payment of interest under section 234B and 234C

Vivad Se Vishwas Act, 2020

- ❖ Any person opting for Vivad Se Vishwas Scheme is required to pay prescribed amount of tax on or before 31st March 2020, failure to which, that amount shall be increased by an additional amount of 10% or 5% of disputed tax/ Interest/ Penalty/ Fees as the case may be.
- ❖ CBDT via Press Release Dated 24th March 2020, had extended all the due dates occurring between 20th March 2020 to 29th June 2020, to **30th June 2020**. Due to this extension, additional amount of 10% or 5% was not to be made if the payment is made by 30th June 2020.
- ❖ Further, under Atmanirbhar Bharat Abhiyaan, this date has been further extended from 30th June 2020 to 31st December 2020. Thus, no additional amount will be levied if prescribed payment is done by 31st December 2020.

Income Tax Refunds



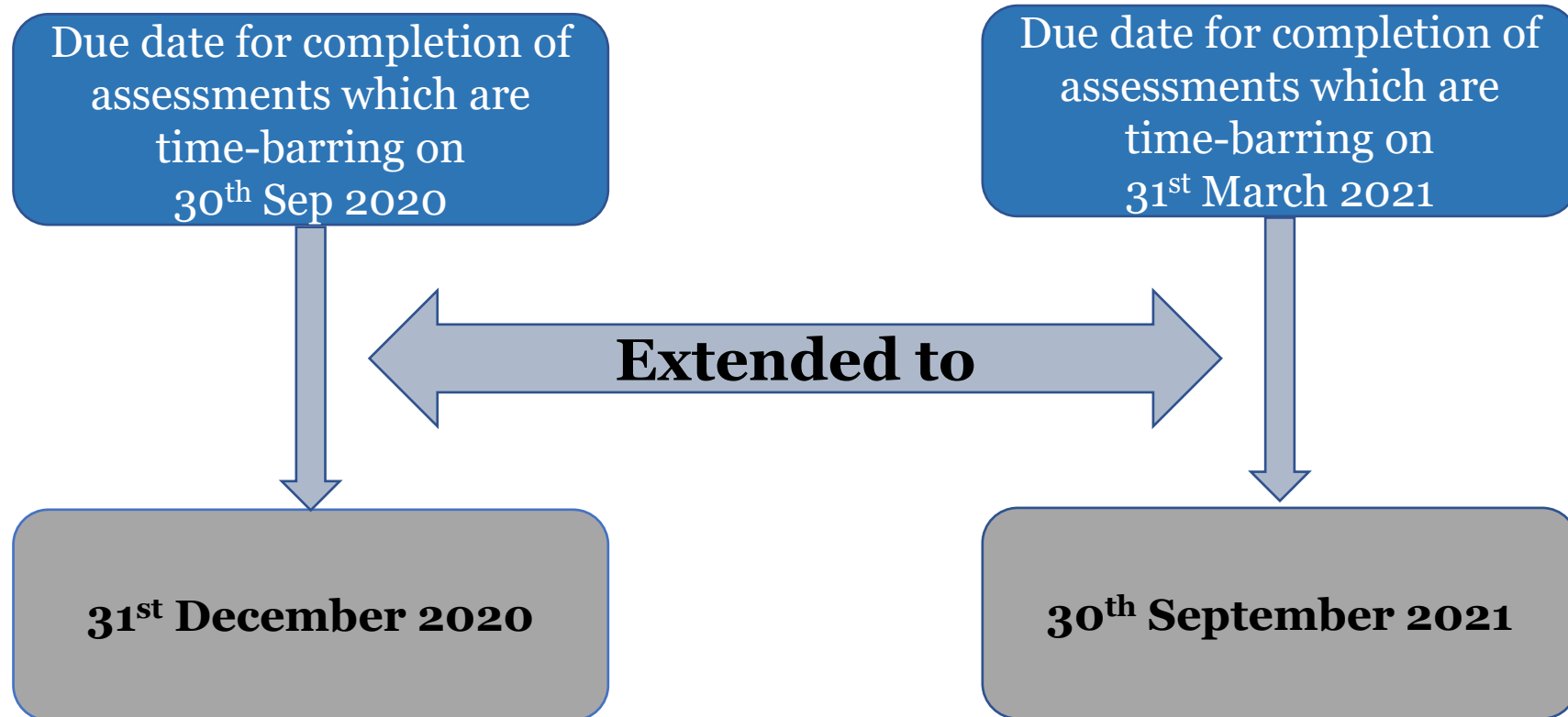
Shall be Issued Immediately

ITR and Tax Audit Due Dates

S. No.	Description	Existing Dates	Extended Due Dates
1.	All Income Tax Returns		
	For Individuals	31 st Jul 2020	30 th Nov 2020
	For Assesseees whose accounts are required to be Audited	30 th Sep 2020	30 th Nov 2020
	For Assesseees Required to File Report under 92F	30 th Nov 2020	30 th Nov 2020
2	Tax Audit (Form 3CA/CB)	30 th Sep 2020	31 st Oct 2020

Assessment Due Dates

Following dates related to assessments has also been Extended



AKGVG & ASSOCIATES
Chartered Accountants



Head office:

E-1, Prashant Vihar, Delhi, 110085

Branch offices:

Gurgaon, Mumbai, Bangalore,
Chennai, Amhedabad, Lucknow

Website: www.akgvg.com

Disclaimer: This preliminary document has been prepared by AKGVG & Associates. It is for information only and should not be considered as an advice or opinion, or otherwise. AKGVG & Associates does not intend to advertise its services through this. The content is strictly for private circulation and must not be distributed to any other person or replicated in any form without the prior written consent of AKGVG & Associates.

THANK YOU