

Newsletter - I

Financial Year 20-21

**Income Tax & GST
Compliances and applicability of
certain provisions**



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Hello, As you know that presently every body in India is locked down due to covid 19 pandemic. As per government directions all businesses are shut down except essential goods/commodity businesses till 3rd may subject to further extention. Economy of India is at stake due to covid 19 pandemic. Even in such situation we have started monthly informative newsletter on direct and indirect taxes along with other laws as applicable to the business entities. We will be sharing the newsletter every month with the month compliance information and changes in tax laws in the form of updates in tax laws. Please comment if you like the information.

Income Tax

•Income Tax Slabs Under New Regime:{All Individuals & HUF}



Income Tax Slabs	Tax Rate
Upto 2,50,000	NIL
2,50,001 to 5,0.0000	5%
5,00,001 to 7,50,000	10%
7,50,001 to 10,00,000	15%
10,00,001 to 12,50,000	20%
12,50,001 to 15,00,000	25%
Above 15,00,000	30%

• Surcharge



Income	Rate
Income Exceeds Rs 50 lakhs	10%
Income Exceeds Rs 1 Cr	15%
Income Exceeds Rs 2Cr	25%
Income Exceeds Rs 5 Cr	37%

•Key Points Under New Regime.

Key Points



- Health & Education Cess will be applicable @ 4% to Tax payable after Rebate under sec 87A
- Surcharge is levied on taxable income above Rs 50 Lakhs.
- Rebate Under Sec 87A Upto 12,500 Who are having taxable income of up to Rs 5,00,000.
- Only Deduction under sec 80CCD(2) – Employers contribution to National Pension Scheme will be allowed. No any deduction under Chapter VA will be allowed under this New Tax Regime

•Income Tax Slabs Under Old Regime: {Individuals less than 60 years of age}

Tax Slab	Rate
Upto 2,50,000	Nil
2,50,001 to 5,00,000	5%
5,00,001 to 10,00,000	20%
Above 10,00,000	30%

- For Senior Citizens(Above 60 but less than 80 years age) Basic Exemption limit will be Rs 3,00,000.
- For Very Senior Citizen (Aged 80 years or more) Basic Exemption limit will be Rs 5,00,000.
- All deductions are available under Chapter VA under old tax regime.

•Income Tax Rate For Partnership Firm

- A. income of partnership firms & LLPs is taxable at 30%
- B. Surcharge will be applicable @ 12% of tax where total income exceeds Rs 1 Crore
- C. Health and Education cess will be levied @ 4% of income tax plus surcharge.



•Income Tax Rate for Domestic Companies & Foreign Company.



Particulars	Tax Rate
Companies opting for section 115BA	25%
Company having turnover or gross receipts of up to RS 400cr in previous year 2017-18	30%
Companies Opting for Section 115BBA	22%
Companies Opting For Section 115 BAB	15%
Any Other Company	15%

•The tax rate for foreign company is 40%.

Surcharge

Company	Net Income is between Rs 1 cr-10Cr	Net Income Exceeds Rs 10Cr
Domestic Company	7%	12%
Foreign Company	2%	5%

- Health and Education cess will be 4% of income tax plus surcharge.

Advance Tax Due dates FY 20-21

	Self Employed And Businessmen	Companies
First Installment	15 th Sept	15 th June
Second Installment	15 th Dec	15 th Sept
Third Installment	15 th March	15 th Dec
Fourth Installment	-	15 th Mar

- Business / Profession Assessee declaring income under the presumptive income scheme u/s 44AD or 44 ADA have to pay whole of advance tax by the 15th March of year.

TDS Return & Payment Due Dates.

Month Of Deduction	Due date for TDS payment	Due Date For Return Filing
Apr-20	7th May 20	31st July 20
May-20	7th June 20	
Jun-20	7th July 20	
Jul-20	7th Aug 20	31st Oct 20
Aug-20	7th Sept 20	
Sep-20	7th Oct 20	
Oct-20	7th Nov 20	31st Nov 20
Nov-20	7th Dec 20	
Dec-20	7th Jan 21	
Jan-21	7th feb 21	31st May
Feb-21	7th Mar 21	
Mar-21	7th Apr 21	

•Late Filing & Interest For late Payment And Late Return Filing

If Return is Filed After Due Date then Rs 200 Per day late fees to be paid until Return is filed.(Restricted To TDS Amount)

Interest @ 1.5% per month is to be paid for late payment of tds from due date to Actual date of deposit.

However Due to Covid 19 Outbreak Reduced Rate of interest rate i.e. 0.75% Per month Or part thereof would be applicable for delay in payment of tax instead of 1.5% per Month or part for deposit of taxes.

Goods & Service Tax

For the first Quarter Compliances.



Due To Covid-19 Outbreak Only Data For Mar 19, April and May 20 has been represented
Data for Other Month will be Co-ordinated afterwards.

Form Of Return	Turnover Criteria	Due Date	Late Fees (Filed After Due Date)	Interest (Filed After Due Date)
GSTR-I March	T/O > RS 1.5 LAKHS	11/04/20	No Late fees will be charged	No Interest will be Charged
GSTR- I MARCH	T/O < RS 1.5 LAKHS	30/04/20	No Late fees will be charged	No Interest will be Charged
GSTR -3B March ,April, May 2020	Turnover less than 5cr in Previous Year	30/06/20 (Last Week of June)	No Late fees will be charged	No Interest will be Charged
GSTR -3B March ,April, May 2020	Turnover More than 5cr in Previous Year	20 th of Succeeding Month Due to Covid -19 the same will be 30 th June 2020	No Late fees will be charged	<ul style="list-style-type: none"> •First 15 days-NIL •After 15 days-9% pa •Relaxation Available if filed before 24th june •Filed After 24th June Interest @ 24%pa Will be charged



****Relaxation in income tax compliances
amid covid 19 outbreak****

In case of India, the new financial year has started with effect from 1 April and taxpayers will be looking at the applicable compliances for the new financial year.

Taxpayers would also now be required to meet various compliances related to the previous FY2019-20 like payment of any pending tax amounts, filing of tax returns, etc. There may also be some taxpayers who have compliance obligations related to past tax years, for e.g., filing of revised returns or compliances related to tax assessments, appeals, etc.

The relaxation in tax compliance timelines announced by the government are outlined in the following paras which allow extended timeline till 30 June for meeting various obligations without any adverse implications

Tax Compliances FY 2018-19

Tax payers who have missed filing original return for FY 2018-19 before original Due date i.e. 31st July 19/30th Sept may file the return by 31st March 2020 with a Penalty of Rs 10000 and such return is termed as Belated Return .

Considering the present situation, the finance minister of India has extended such belated/revised tax return filing due date to 30 June 2020. Hence, for FY2018-19, a belated/revised tax return may be filed up to 30 June 2020 without any additional penal consequences

Tax Compliances FY 2019-20

- **In case of TDS Reduced Rate of interest @ 0.75 % per Month or part thereof would be Applicable for delay in payment of tax Instead of 1.5% per month or part thereof.**
- **Due Date for filing Personal Income tax return for FY 2019-20 remains Unchanged i.e. 31st July 2020.**
- **Specified investment to claim deduction under section 80 of act which are required To be made by 31st march 2020 can be made till 31st June 2020.**

Tax Compliances FY 20-21

- For Quarter I FY 2020-21 the due date of payment of advance tax is extended To 15th June only but reduced rate of interest @ 9% p.a will be charged instead of 12% Per annum for advance tax between 16th June 2020 to 30th June 2020.


Other Measures.

- Extension of PAN Aadhar Linking deadline to 30th June 2020.
- The Direct Tax Dispute resolution scheme known as “Vivad Se Vishwas” has been extended vis a vis the initial date of 31st march 2020 to 30th june 2020 without any additional interest payment.
- Donation made to PM cares Fund will be available for 100% deduction under section 80G of income tax act.
- Companies can use CSR funds for donations used for covid 19 pandemic.

PF AND ESIC LAWS UPDATES:

The government has come up with the scheme in PF act wherein the employer who has less than 100 employees and having more than 90 % employee whose salary is less than Rs. 15000 can avail the scheme by submitting declaration on the portal before filing ECR for the period march 2020 to May 2020 (3 months.). Provided that aadhar should be linked to UAN no of the employees. Benefit of the scheme is that government will pay the employee contribution directly to employees PF account and employer need not to pay his share. Employer has to pay admin charges as applicable.

ESIC vide notification no p-11/14/Misc/1/2019-Rev has extended the ESI contribution for the month of February 2020 and March 2020 to 15th April 2020 and 15th May 2020 respectively on account of pandemic in the form of corona virus



We thank Mr. Anand Firodiya our senior article who compiled the above information and took effort to complete the first newsletter of our firm.