

***LIVE CPE WEBINAR ORGANISED BY KOTTAYAM  
BRANCH OF ICAI ON 11.09.2020***

**CHANGES IN DIRECT TAX LAWS  
RELEVANT TO ASSESSMENT YEAR 2020 – 21**

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# COVID 19 related changes

*(Announcements vide The Taxation and Other Laws  
(Relaxation of Certain Provisions) Ordinance 2020 and the  
Atmanibhar Bharath package)*

# Covid 19 related changes

- Due date for revised returns / belated returns of AY 2019-20 extended from 31.03.2020 to 30.06.2020 further extended upto 30.09.2020
- Other due dates falling between 20.03.2020 and 29.06.2020 are extended to 30.06.2020.
- Chapter VIA investments, Section 54 to 54GB investments etc. due by 31.03.2020 extended to 31.07.2020
- Vivad se viswas due date without additional payment extended up to 31.12.2020
- Due date for completing time barring assessments falling due by 30.09.2020 extended to 31.12.2020

# Covid 19 related changes

- Due dates for filing income tax returns of AY: 2020 – 21 falling due on 31.07.2020 and 31.10.2020 extended to 30.11.2020 subject to interest u.s. 234A if SAT exceeds Rs. 1 lakh.
- Tax audit due for completion on 30.09.2020 extended to 31.10.2020.
- Due date for TDS returns of q.e. 31.03.2020 extended from 31.05.2020 to 31.07.2020. TDS returns for q.e. 30.06.2020 and 30.09.2020 can be filed before 31.03.2021
- Commencement of re-registration process of Charitable institutions deferred till 01.10.2020. (Ref: Tweet by IT Dept)
- Domestic TDS rates across the board reduced by 25 % w.e.f. 18.05.2020.
- Interest on tax dues falling between 20.03.2020 and 29.06.2020 reduced to 0.75% pm (instead of 1% pm) provided the dues are paid on or before 30.06.2020

# Changes made by Finance Act 2019

# Salary and house property (WEF AY: 2020-21)

- **Salary**

- **Standard deduction** increased from Rs.40,000 to **Rs.50,000.**

- **House Property**

- **Two house properties** can be chosen for **self occupation** with annual value deemed as 'nil'.  
Combined interest claim in respect of the two house properties u/s 24 shall not exceed Rs. 2 lakhs
- **Builder's unsold and vacant stock in trade**, post completion, eligible for **'nil' annual value reckoning for two years.** (hitherto one year)

# Capital Gains – Section 54

- Currently exemption u/s 54 is available for investment in construction / acquisition of **one** residential house.
- Following amendments are made with effect from AY 2020 – 21:
  - One can purchase (it is only optional) or construct **two residential houses** (the time frame remains unchanged)
  - The option is available only when the amount of **capital gains under reference does not exceed Rs. 2 crores**. If it exceeds Rs. 2 crores, the old option of one residential house is still available.
  - This option can be exercised only **once in the lifetime** of the assessee.



# Rebate u/s 87A

<b>Description</b>	<b>Up to AY: 2019 – 20</b>	<b>From AY: 2020 – 21</b>
Total income threshold	Up to Rs. 3,50,000	Upto Rs. 5,00,000
Rebate	Actual tax or Rs. 2,500 whichever is less	Actual tax or Rs. 12,500 whichever is less

## TDS thresholds u/s 194A (Interest) and 194I (Rent) – WEF AY: 2020 – 21

- **Section 194I** – TDS threshold is increased from Rs. 1,80,000 per annum to **Rs. 2,40,000 per annum**.
- Section 194A

Threshold limit per annum (Rs.)

Payer	Senior citizen	Others upto AY: 2019 – 20	Others from AY: 2020 – 21
Banks	50,000	10,000	<b>40,000</b>
Co-operative Banks	50,000	10,000	<b>40,000</b>
Post Offices	50,000	10,000	<b>40,000</b>
Others	5,000	5,000	5,000

# Section 80IBA

- Relates to affordable housing projects
- The sunset date for getting approval from appropriate authority extended to 31.03.2020 (further extended to 31.03.2021 by FA 2020)

# **Changes made by Finance (No.2) Act 2019 & Taxation Laws (Amendment) Act 2019**

# Tax rates of Individual, HUF, AoP, BoI and AJP

Tax rate	Res. – 80+ yrs	Res – 60 to 80 yrs	Others
Nil	TI upto 5 lakhs	TI upto 3 lakhs	TI upto 2.5 lakhs
5 %	NA	TI 3 – 5 lakhs	TI 2.5 – 5 lakhs
20 %	TI 5 – 10 lakhs	TI 5 – 10 lakhs	TI 5 – 10 lakhs
30 %	TI exceeding 10 lakhs	TI exceeding 10 lakhs	TI exceeding 10 lakhs

	Total income range	Surcharge
a	If TI (incl. LTCG (112A) and STCG (111A)) is between 50 lakhs and 1 Cr.	10% of tax
b	If TI (incl. LTCG (112A) and STCG (111A)) is between 1 Cr. and 2 Cr.	15% of tax
c	If TI (excl. LTCG (112A) and STCG (111A)) is between 2 Cr. and 5 Cr.	25% of tax
d	If TI (excl. LTCG (112A) and STCG (111A)) exceeds 5 Cr.	37% of tax
E	In respect of LTCG in cases d) and c), surcharge shall be on the tax on such LTCG or STCG	15% of tax

Health and Education cess @ 4 % of (tax + surcharge)

<https://www.incometaxindia.gov.in/pages/tools/tax-calculator.aspx>

# Firm, Co-operative Society and Foreign Company

- **Firm**
  - Rate of tax – 30 %
  - Surcharge @ 12 % if TI exceeds Rs. 1 Cr.
  - Health and Education cess @ 4 % of (tax + surcharge)
- **Co-operative Society**
  - First 10,000 – 10 %
  - Next 10,000 – 20 %
  - Balance – 30 %
  - Surcharge @ 12 % if TI exceeds Rs. 1 Cr.
  - Health and Education cess @ 4 % of (tax + surcharge)
- **Foreign Company**
  - Tax rate – 30 %
  - Surcharge
    - TI 1Cr. To 10 Cr. – 2 % of tax
    - TI exceeds 10 Cr. – 5 % of tax
  - Health and Education cess @ 4 % of (tax + surcharge)

## Domestic companies – Normal provisions

First Year of applicability	Not relevant
Category of companies	Existing companies willing to avail deductions/exemptions under ITA
Tax rate	30 per cent, in case turnover exceeds INR 400 Cr. for FY 2017-18; else, 25 per cent
Surcharge	– 7 per cent in case the total income exceeds INR 1 Cr. – 12 per cent where the total income exceeds INR 10 Cr.
Cess	4 per cent
Effective Tax rate (Assuming)	31.2/33.38/34.94 per cent, if turnover exceeds INR 400 Cr. for FY 2017-18; else, 26/27.82/29.12 per cent
MAT applicability and rate	15 per cent
Effective Tax rate under MAT	15.6/16.69/17.47 per cent
Availability of specified deductions/carry forward and set off of losses/incentives under ITA	Yes

## Domestic Companies – Section 115 BA

<b>First Year of applicability</b>	<b>FY 2016-17</b>
<b>Category of companies</b>	<b>Companies engaged in manufacturing and set-up and registered on or after 1st day of March 2016</b>
<b>Tax rate</b>	<b>25 per cent</b>
<b>Surcharge</b>	<b>– 7 per cent in case the total income exceeds INR 1 Cr. – 12 per cent where the total income exceeds INR 10 Cr.</b>
<b>Cess</b>	<b>4 per cent</b>
<b>Effective Tax rate (Assuming)</b>	<b>26/27.82/29.12 per cent</b>
<b>MAT applicability and rate</b>	<b>15 per cent</b>
<b>Effective Tax rate under MAT</b>	<b>15.6/16.69/17.47 per cent</b>
<b>Availability of specified deductions/carry forward and set off of losses/incentives under ITA</b>	<b>No. Investment allowance, scientific research, capital expenditure based deduction Ch VIA except 80JJAA etc are some deductions foregone. B/f losses in respect of these items are also not deductible</b>



## Domestic Companies – Section 115BAA

<b>First Year of applicability</b>	<b>FY 2019-20</b>
<b>Category of companies</b>	<b>All domestic companies (Optional)</b>
<b>Tax rate</b>	<b>22 per cent</b>
<b>Surcharge</b>	<b>10 per cent irrespective of amount of total income</b>
<b>Cess</b>	<b>4 per cent</b>
<b>Effective Tax rate (Assuming)</b>	<b>25.17 per cent</b>
<b>MAT applicability and rate</b>	<b>Not Applicable</b>
<b>Effective Tax rate under MAT</b>	<b>Not Applicable</b>
<b>Availability of specified deductions/carry forward and set off of losses/incentives under ITA</b>	<b>No. Investment allowance, additional depreciation scientific research, capital expenditure based deduction Ch VIA except 80JJAA etc are some deductions foregone. B/f losses in respect of these items are also not deductible</b>

## Domestic Companies – Section 115BAB

<b>First Year of applicability</b>	<b>FY 2019-20</b>
<b>Category of companies</b>	<b>Companies engaged in manufacturing and set-up and registered on or after 1st day of October 2019 and commence mfr on or before 31.03.2023. It should be almost a new unit (second hand items sparingly used)</b>
<b>Tax rate</b>	<b>15 per cent</b>
<b>Surcharge</b>	<b>10 per cent irrespective of amount of total income</b>
<b>Cess</b>	<b>4 per cent</b>
<b>Effective Tax rate (Assuming)</b>	<b>17.16 per cent</b>
<b>MAT applicability and rate</b>	<b>Not Applicable</b>
<b>Effective Tax rate under MAT</b>	<b>Not Applicable</b>
<b>Availability of specified deductions/carry forward and set off of losses/incentives under ITA</b>	<b>Investment allowance, additional depreciation scientific research, capital expenditure based deduction Ch VIA except 80JJAA etc are some deductions foregone. B/f losses in respect of these items are also not deductible</b>

## Illustrative Comparative chart of domestic companies

Particulars	Normal Provisions	Section 115BA	Section 115BAA	Section 115BAB
First Year of Applicability	Not applicable	FY 2016-17	FY 2019-20	FY 2019-20
Category of companies	Existing companies willing to avail deductions/exemptions under ITA	Companies engaged in manufacturing and set-up and registered on or after 1st day of March 2016	All domestic companies	Companies engaged in manufacturing and set-up and registered on or after 1st day of October 2019 and commence production on or before 31.03.2023
Tax rate	30 per cent, in case turnover exceeds INR 400 Cr. for FY 2017-18; else, 25 per cent	25 per cent	22 per cent	15 per cent
Surcharge	– 7 per cent in case the total income exceeds INR 1 Cr. – 12 per cent where the total income exceeds INR 10 Cr.	– 7 per cent in case the total income exceeds INR 1 Cr. – 12 per cent where the total income exceeds INR 10 Cr.	10 per cent irrespective of amount of total income	10 per cent irrespective of amount of total income
Cess	4 per cent	4 per cent	4 per cent	4 per cent
Effective Tax rate (Assuming)	31.2/33.38/34.94 per cent, if turnover exceeds INR 400 Cr. for FY 2017-18; else, 26/27.82/29.12 per cent	26/27.82/29.12 per cent	25.17 per cent	17.16 per cent
MAT applicability and rate	15 per cent	15 per cent	Not Applicable	Not Applicable
Effective Tax rate under MAT	15.6/16.69/17.47 per cent	15.6/16.69/17.47 per cent	Not Applicable	Not Applicable
Availability of specified deductions/carry forward and set off of losses/incentives under ITA	Yes	No	No	No

# Sections 9(1)(viii) & 10(12A)

- **Amendment to section 9 (1) (viii)**

- Effective date 05.07.2019
- Gift received by a non-resident from a resident outside India is deemed to accrue or arise in India

- **Amendment to Section 10 (12 A)**

- Effective from AY 2020-21
- 60 % (till last year 40%) of the total amount receivable by a person at the time of closure or opting out of NPS shall be exempt

# Sections 12AA and 10(23C)

- Effective from 01.09.2019
- **At the time of registration** or approval, the prescribed authority can verify whether the applicant has complied with the requirement of any other law which is material for the purposes of achieving its objects
- Violation of any other law which is material for the purposes of achieving assessee's objects, which is pointed out by the officer and which is either undisputed or has reached finality, it can be a ground for **initiating cancellation of registration**
- 20 Taxmann.com 113 (Chennai), 101 Taxmann.com 3894 (Delhi), 99 Taxmann.com 381 (Karnataka) etc overcome
- Eg. : Receiving capitation fee, violations in FCRA etc

## Section 40(a)(i) and Section 201 & Section 43B

- **Amendment to Section 40 (a) (i) and Section 201**
  - Effective from AY 2020-21
  - Similar to the relaxed provision applicable to Section 40 (a) (ia) - Conditions
    - Recipient furnishes return u.s. 139
    - The income under reference is taken into account by recipient
    - Recipient has paid tax due on his return
    - Certificate from CA to this effect
- **Amendment to Section 43 B**
  - Effective from AY 2020-21
  - Interest payable to NBFC also included – admissible only on payment

# Amendment to Section 80 CCD

- Effective from AY 2020-21
- CG enhanced employers contribution to NPS from 10 % to 14 %
- Employers contribution is added to salary and deducted u/s 80 CCD
- 80 CCD laid down limit of 10% of salary which is now enhanced to 14 %

# Interest on certain housing loan – New section 80 EEA

- Effective from AY 2020-21
- Conditions
  - Assessee is an individual
  - Not eligible to claim deduction u.s. 80 EE
  - A loan should have been taken for acquiring residential house
  - Loan should have been sanctioned between 01.04.2019 and 31.03.2020 (extended to 31.03.2021 in FA 2020)
  - SDV of residential house should not exceed Rs. 45 lakhs
  - Assessee shall not own any other house property on the date of sanction of loan
  - Deduction is equal to interest payable or Rs. 1,50,000 whichever is less
  - Interest claimed under this provision cannot be claimed again u.s. 24



# New Section 80 EEB

- Effective from AY 2020-21
- Interest on loan taken for purchase of electric vehicle
- Conditions
  - Assessee is an individual
  - A loan should have been taken for acquiring electric vehicle (not hybrid)
  - Loan should have been sanctioned between 01.04.2019 and 31.03.2023
  - Assessee shall not own any other electric vehicle on the date of sanction of loan
  - Deduction is equal to interest payable or Rs. 1,50,000 whichever is less
  - Interest claimed under this provision cannot be claimed under other provisions of Act

# Amendment to Section 139

- Effective from AY 2020-21
- Following persons, irrespective of their income, are now required to mandatorily file their return of income
  - Deposit an amount or aggregate of amounts exceeding Rs. 1 Cr. in bank or co-operative bank
  - Incurred expenditure exceeding Rs. 2 lakhs on foreign travel
  - Incurred expenditure exceeding Rs. 1 lakh on electricity
  - Claimed exemption u.s. 54, 54 B, 54 D, 54 EC, 54 F, 54 G, 54 GA and 54 GB

# Amendment to Section 139 A

- Effective from 01.09.2019
- In cases where PAN is mandatory and the person is not allotted PAN, instead of PAN aadhar may be quoted
- In cases where PAN and aadhar are linked, aadhar may be given in lieu of PAN
- Aadhaar linking date extended to 31.03.2021

# Sections 89, 194DA & 194IA

- **Amendment for providing credit to relief u.s. 89**
  - Effective from AY 2007-08
  - Computation of tax liability u.s. 140 A, 143, 234 A, 234 B and 234 C shall be made after allowing relief u.s. 89.
- **Amendment to section 194 DA - TDS on non-exempt portion of LIC payout**
  - Effective from 01.09.2019
  - Presently, TDS is 1% of total payout. This is amended as 5 % of income comprised in the payout
- **Amendment to Section 194 IA**
  - Effective from 01.09.2019
  - Consideration for this purpose, shall include, besides the document value, amount paid by the buyer towards all incidental aspects also

# New section 194 M

- Effective from 01.09.2019
- Deductor – Individual or HUF who is not required to deduct TDS u.s. 194C or 194 H or 194 J
- Threshold limit – TDS not attracted if amount paid or payable in a F.Y does not exceed Rs. 50 lakhs
- Payments covered
  - Work
  - Commission or brokerage
  - Professional fee
- Rate of TDS 5 %
- TAN not necessary
- Nature of work – works of personal nature (E.g. construction of residential house)

# New section 194 N

- Effective from 01.09.2019
- Deductor – Bank, co-operative bank or post office from where cash is withdrawn
- Threshold limit – Rs. 1 Cr. in aggregate from one or more accounts of the withdrawer
- Time of deduction – at the time of withdrawal
- TDS rate – 2 %
- Exclusion – withdrawal by government, banking company, co-operative society engaged in carrying out banking business, post office, ATM operators and other prescribed persons
- TDS u.s. 194 N will not be treated as deemed income of the withdrawer
- Three Months' stay granted by Kerala HC - THE ANGADIPPURAM SERVICE CO-OPERATIVE BANK VS. UOI and others W.P.(C) TMP No.178 of 2020 (KER HC)

# **Amendment to Section 195 (2)**

- Effective from 01.11.2019
- Application for Nil deduction or lower deduction certificate before the AO shall be henceforth in the electronic mode

## New Section 269 SU

- Effective from 01.11.2019
- Every person carrying on business and having annual turnover of not less than 50 Cr. in the immediately preceding year shall arrange facility for accepting payment through prescribed electronic modes in addition to the existing electronic modes
  - Debit Card powered by RuPay
  - Unified Payments Interface ([UPI](#)) ([BHIM-UPI](#))
  - Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code)
- Non-compliance shall attract penalty at the rate of Rs. 5,000 per day u.s. 271 DB
- Circular 12/2020 dated 20.05.2020 excludes certain B2B suppliers provided not less than 95% of their receipts are non cash receipts <https://taxguru.in/income-tax/section-269su-not-applicable-specified-person-having-only-b2b-transactions.html>



## **Amendment to section 285 BA**

- Effective from 01.09.2019
- Widening the scope of SFT
- Purpose of amendment is to enable pre-filling of income tax return
- Current threshold of Rs. 50,000 of aggregate value of certain transactions has been removed
- If defects are not cured within the prescribed time, it will be deemed that the person has furnished inaccurate particulars
- Stringent penalty provisions u.s. 271 FAA
- Due date is 31.05.2020

# Changes in depreciation rate applicable to vehicles

**NOTIFICATION NO. GSR 679 (E) [NO. 69/2019 (F.NO. 370142/17/2019-TPL)], DATED  
20-9-2019**

**Short title and commencement**

1. (1) These rules may be called the Income-tax (9th Amendment) Rules, 2019.

(2) They shall be deemed to have come into force with effect from the 23rd day of August, 2019.

2. In the Income-tax Rules, 1962, in the NEW APPENDIX I, in the Table, in PART A relating to TANGIBLE ASSETS, in item III relating to MACHINERY AND PLANT, -

(a) for sub-item (2) and entries relating thereto, the following shall be substituted, namely:-

Block of Assets	Depreciation allowed as per percentage of written down value
1	2
"(2) (i) Motor cars, other than those used in a business of running them on hire, acquired or put to use on or after the 1st day of April, 1990 except those covered under entry (ii);	15
(ii) Motor cars, other than those used in a business of running them on hire, acquired on or after the 23rd day of August, 2019 but before the 1st day of April, 2020 and is put to use before the 1st day of April, 2020.	30";

(b) in sub-item (3), for paragraph (ii) and entries relating thereto, the following shall be substituted, namely:—

Block of Assets	Depreciation allowed as per percentage of written down value
1	2
"(ii) (a) Motor buses, motor lorries and motor taxis used in a business of running them on hire other than those covered under entry (b).	30
(b) Motor buses, motor lorries and motor taxis used in a business of running them on hire, acquired on or after the 23rd day of August, 2019 but before the 1st day of April, 2020 and is put to use before the 1st day of April, 2020.	45";

Further streamlining of certain  
due dates required

## **Further extension of certain dates / concessions that are desirable**

- Tax audit due date may be extended till 30.11.2020 to keep it at par with the IT return filing due date.
- Filing of report on specified financial transactions (SFT) due for filing on 31.05.2020 may be extended at least till 31.12.2020.
- Waiver of S. 234C interest vis-à-vis short payment or non payment of June / September 2020 installments of advance tax.
- Waiver of late fee u/s 234E and 234F vis a vis all TDS returns / IT returns that fall due for filing in financial year 2020 – 21.
- Non levy of penalty u/s 271B vis-à-vis AY 2020–21.
- Defer the process of re registration of charitable trusts by one year.

# **Major changes made by Finance Act 2020**

# Major Changes in Finance Act 2020

- Amendments regarding charitable trusts
- Changes in tax audit limits and due dates
- TDS on cash withdrawal
- Modification of residential status
- Change in taxation of dividends

# Amendments regarding charitable trusts

- Re-registration under sections 10 (23 C), 11 (i.e. u.s. 12 AB) and 80 G

Sl. No.	Type of entity	Section	Remarks
1	Entities already approved / registered as on 30.09.2020	10 (23C), 11 and 80 G	<ul style="list-style-type: none"> <li>- Apply online for fresh approval between 01.10.2020 and 31.12.2020</li> <li>- Officer to dispose off the application within 3 months</li> <li>- Once approved, it shall be effective from the date of original approval</li> <li>- Valid for 5 years</li> </ul>
2	Subsequent re-registration	10 (23C), 11 and 80 G	<ul style="list-style-type: none"> <li>- Apply online within 6 months prior to the expiry of the approval</li> <li>- Officer to dispose off the application within 6 months</li> <li>- Once approved, the continuity will be maintained</li> <li>- Valid for 5 years</li> </ul>
3	Entities that do not have approval as on 30.09.2020 or new entities	10 (23C), 11 and 80 G	<ul style="list-style-type: none"> <li>- Apply online <u>at least</u> 1 month prior to the expiry of the year from which you need approval</li> <li>- Officer to dispose off the application within 1 month (i.e. provisional approval / registration)</li> <li>- Once approved, it shall be effective from the AY relevant to the PY in which the application is uploaded</li> <li>- Valid for 3 years</li> </ul>
4	Validation of provisional approval / registration	10 (23C), 11 and 80 G	<ul style="list-style-type: none"> <li>- Apply online within 6 months prior to the expiry of the approval</li> <li>- Officer to dispose off the application within 6 months</li> <li>- Once approved, it shall be effective from the AY in which the application is approved</li> <li>- Valid for 5 years from the first provisionally approved year</li> </ul>
5	Where the trust has adopted modification of objects other than the ones specified in the terms of registration	11	<ul style="list-style-type: none"> <li>- Apply online within 30 days from the date of such modification</li> <li>- Officer to dispose off the application within 6 months</li> <li>- Once approved, it shall be applicable from the AY in which the application is made</li> <li>- Valid for 5 years</li> </ul>

The prescribed authorities are given powers to grant registration as well as to cancel the registration after following the prescribed procedures.



## **Common amendments (w.e.f. AY 2020-21) regarding section 11 and section 10 (23C)**

- Audit reports in Form No. 10 B (section 11 ) and in Form No. 10 BB (section 10 (23C)) shall be uploaded atleast 1 month prior to the due date for filing the return.
- Corpus donation received will not be treated as voluntary contribution received
- Corpus donation given to registered / approved entities will not be allowed as application of income

# Amendment relating to Section 80 G

- Filing of statement of donation by donee (80 G approved institution) to cross check the claim of the donor
- Effective date 01.10.2020
- Entity covered – Entity which is registered under 80 G (5)(vi)
- Requirement –
  - upload a statement of donation received in the prescribed form to the prescribed authority
  - Give a certificate of donation to the donor in the prescribed form
- Consequence
  - Donor will get deduction only on the basis of statement of donation uploaded by the donee
  - Non-filing of the statement or failure to correct the statement attracts penalty / fee u.s. 234 G.

# Changes in tax audit limits and due dates

- Effective from AY 2020-21
- Applies to persons carrying on business
- Threshold limits for tax audit increased from Rs. 1 crore to Rs. 5 crores subject to the following conditions
  - Aggregate of all receipts in cash during the previous year does not exceed 5 % of total receipts and
  - Aggregate of all payments in cash during the previous year does not exceed 5 % of total payments
- Tax audit report must be uploaded at least 1 month prior to due date for filing the return

# TDS on cash withdrawal

2%

- Filled ITR of three years immediately preceding the year & Cash Withdrawal > 1 Crore

2%

- Not Filled ITR of three years immediately preceding the year & Cash Withdrawal is between 20 Lakhs & upto 1 Crore

5%

- Not Filled ITR of three years immediately preceding the year & Cash Withdrawal > 1 Crore

# Modification of residential status

- W.e.f AY 2021-22
- If the assessee is an Indian citizen or a person of Indian origin, the second basic condition, becomes redundant because instead of 60 days in the previous year, the Act substituted 182 days. Such a person who stayed in India for less than 182 days in a year became a non-resident. This is now amended and the concession of 182 days is reduced to 120 days. That is to say, both the tests are to be applied on an IC or POI.  
A non-resident with taxable income, (other than income from foreign sources) exceeding Rs. 15 lakhs during the previous year will be treated as RBNOR.
- A business outside India which is controlled from India will not be a foreign source

# Change in TDS of dividends (S. 194)

- Applicable for dividend declared or distributed on or after 01.04.2020.
- Result of amendment that w.e.f. AY 2021-22, dividends are taxable in the hands of shareholders
- Rate of TDS 10 %
- Threshold limit Rs. 5,000
- Shareholder can give Form 15 G / 15 H

THANK YOU

Please enrich me by sharing your  
valuable knowledge on the subject