

# TAX FLASH NEWS

3 March 2021

## **CBDT issues notification extending the due dates for assessment, reassessment, imposition of penalty, etc.**

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In view of the challenges faced by taxpayers in meeting the statutory and regulatory compliances due to the outbreak of COVID-19, the government introduced the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (the Taxation Act) to give various reliefs to the taxpayers. Subsequently, the government issued Notifications to extend various time limits.

Section 3(1) of the Taxation Act had extended various due dates to 31 March 2021 which were falling between the period of 20 March 2020 to 31 December 2020. Further Notification 93/2020<sup>1</sup> extended the end date of such period to 30 March 2021 to apply the due date of 31 March 2021 to such extended period also.

Recently, the government has issued a Notification<sup>2</sup> providing further extension of some of the due dates. The Notification has now extended the timelines as follows:

- (a) For assessment or reassessment under Section 153 or Section 153B (assessment in case of search or requisition) of the Income-tax Act, 1961 (the Act) where the time limit is expiring on the 31 March 2021 (extended by an earlier notification) is now extended to 30 April 2021.
- (b) Any other cases which are not covered in (a) for which the time limit is expiring on 31 March 2021 is now extended to 30 September 2021.
- (c) For imposition of penalty under Chapter XXI of the Act -
  - 29 June 2021 shall be the end date of the period during which the time limit specified in or prescribed or notified under the Act falls, for the completion of such action; and
  - 30 June 2021 shall be the end date to which the time limit for completion of such action shall stand extended
- (d) The date for issue of notice under Section 26(1) or passing of order under Section 26(3) of the Benami Property Transaction Act, 1988 (the Benami Act) has also been extended as follows:
  - 30 June 2021 shall be the end date of the period during which the time limit specified in or prescribed or notified under the Benami Act falls, for the completion of such action; and
  - 30 September 2021 shall be the end date to which the time limit for completion of such action shall stand extended

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<sup>1</sup> Notification No. 93/2020/F. No. 370142/35/2020-TPL, dated 31 December 2020

<sup>2</sup> CBDT Notification No. 10/2021, dated 27 February 2021

Various extended timelines are summarised as follows:

**For assessment and reassessment under Section 153/153B**

Particulars	Year/Period	Original due date	New extended due date	Remarks
Order for assessment under Section 143/144	AY 2018-19	30 September 2020	30 April 2021	The original due date of 30 September 2020 was extended to 31 March 2021 by the Taxation Act read with Notification 93/2020, dated 31 December 2020.
	AY 2019-20	31 March 2021	30 September 2021	Since the original due date is 31 March 2021 under the Section 153, the same gets extended to 30 September 2021.
Where a reference under Section 92CA(1) (transfer pricing) is made [Section 153(4)]	AY 2017-18	31 December 2020	30 April 2021	The original due date of 31 December 2020 was extended to 31 March 2021 by the Taxation Act read with Notification 93/2020, dated 31 December 2020.
	AY 2018-19	30 September 2021	No change	-
Order of assessment, reassessment or recomputation under Section 147	Notice served during FY 2018-19	31 December 2019	No change	Since original due date of 31 December 2019 does not fall under the period 20 March 2020 to 30 March 2021, it does not get extended.
	Notice served during FY 2019-20	31 March 2021	30 September 2021	Since the original due date is 31 March 2021 under the Section 153, the same gets extended to 30 September 2021
An order of fresh assessment in pursuance of an order under Section 254 /263/264.	Order received by prescribed authority in FY 2019-20	31 March 2021	30 September 2021	Since the original due date is 31 March 2021 under the Section 153, the same gets extended to 30 September 2021.
Where effect to an order under Section 250/254/ 260/262/263/264 is to be given by the AO, wholly or partly, otherwise than by making a fresh assessment or reassessment	Effect shall be given within a period of three months from the end of the month in which respective order is received by the specified authorities or order under Section 263/264 is passed by the Principal Commissioner or Commissioner:	If period expires between 20 March 2020 to 30 March 2021	30 April 2021	The original due date was extended to 31 March 2021 by the Taxation Act read with Notification 93/2020, dated 31 December 2020.

Order of assessment in the case of search under Section 132 or for requisition under section 132A (Section 153B)	Last of the authorisation for search under Section 132 or for requisition under Section 132A was executed in FY 2018-19	30 September 2020	30 April 2021	The original due date of 30 September 2020 was extended to 31 March 2021 by the Taxation Act read with Notification 93/2020, dated 31 December 2020.
	Last of the authorisation for search under Section 132 or for requisition under Section 132A was executed in FY 2019-20	31 March 2021	30 September 2021	Since the original due date is 31 March 2021 under the Section 153, the same gets extended to 30 September 2021.
Order of assessment in the case of search under Section 132 or for requisition under section 132A [Section 153B – where a reference under Section 92CA(1) (transfer pricing) is made]	Last of the authorisation for search under Section 132 or for requisition under Section 132A was executed in FY 2017-18	31 December 2020	30 April 2021	The original due date of 31 December 2020 was extended to 31 March 2021 by the Taxation Act read with Notification 93/2020, dated 31 December 2020.
In case where during the course of the proceedings for the assessment or reassessment of total income in case of other person referred to in Section 153C, a reference under Section 92CA(1) is made [Section 153B - where a reference under Section 92CA(1) (transfer pricing) is made]	The period available for making an order of assessment or reassessment in case of such other person shall be extended by twelve months.	If such period expires between 20 March 2020 to 30 March 2021	30 April 2021	The original due date was extended to 31 March 2021 by the Taxation Act read with Notification 93/2020, dated 31 December 2020.
Section 163 – agent	Section 160 dealing with representative assessee provides that every 'representative assessee' shall be deemed to be an 'assessee' for the purposes of the Act. Further Section 163 defines representative assessee to include a person who is treated as an agent under Section 163. Therefore, all the above referred extended timelines (depending upon situation) will apply to the agent under Section 163.			

**For penalty cases<sup>3</sup>**

Particulars	Time limit	Original due date	New extended due date
In a case where the relevant assessment or other order is the subject-matter of an appeal to the CIT(A) under Section 246 or Section 246A or an appeal to the Appellate Tribunal under Section 253	Within expiry of FY in which such proceedings, in the course of which action for the imposition of penalty has been initiated, are completed <b>or</b> six months from the end of the month in which the order of specified authority is received by Chief Commissioner or Commissioner, whichever period expires later.	If period expires between 20 March 2020 to 29 June 2021	30 June 2021
In a case where the relevant assessment or other order is the subject-matter of revision under section 263 or section 264	Within expiry of six months from the end of the month in which such order of revision is passed;	If period expires between 20 March 2020 to 29 June 2021	30 June 2021
In any other cases	Within the expiry of the FY in which the proceedings, in the course of which action for the imposition of penalty has been initiated, are completed, <b>or</b> six months from the end of the month in which action for imposition of penalty is initiated, whichever period expires later.	If period expires between 20 March 2020 to 29 June 2021	30 June 2021
In a case where the relevant assessment or other order is the subject matter of an appeal to the Commissioner (Appeals) or the Appellate Tribunal or the High Court or the Supreme Court or revision under Section 263/264 and an order imposing or enhancing or reducing or cancelling penalty or dropping the proceedings for the imposition of penalty is passed before the order passed by the above authorities/Court is received by the prescribed authority or the order of revision is passed, an order imposing or enhancing or reducing or cancelling penalty or dropping the proceedings for the imposition of penalty may be passed on the basis of assessment as revised by giving effect to such order of the Commissioner (Appeals) or, the Appellate Tribunal or the High Court, or the Supreme Court or order of revision.	Within expiry of six months from the end of the month in which the order of the Commissioner (Appeals) or the Appellate Tribunal or the High Court or the Supreme Court is received by the specified authorities or the order of revision under Section 263 or Section 264 is passed.	If period expires between 20 March 2020 to 29 June 2021	30 June 2021

<sup>3</sup> As per Section 275 (Chapter XXI) of the Act

## **Our comments**

The COVID-19 pandemic has resulted in the biggest disruption of the global economy including India. In March 2020, the government promulgated the Taxation Act to relax various timelines. Subsequently, through notifications various timelines have been further extended to give relief to taxpayers.

The government through this Notification has extended various due dates for assessment, reassessment, penalties, etc. The extended timelines will provide sufficient time for completion of assessment, reassessment and penalty procedures.

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