

E-PISTLE

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*“If you don’t stay ‘Updated’ &
‘Upgraded’
You will be ‘Outdated’ ”*

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INCOME TAX

1. The government has proposed a new **Income Tax regime under** that comprises a significant change in the tax slabs rates.

At the time of filing of return For the **FY 20-21** Assesse have an option to go under **new regime** or under **old regime**

Total Income (Rs.)	Old Regime	New Regime
Exemption and Deductions	Allowed	Not Allowed
0 to 2,50,000	Nil	Nil
2,50,001 to 5,00,000	5%	5%
5,00,001 to 7,50,000	20%	10%
7,50,001 to 10,00,000	20%	15%
10,00,001 to 12,50,000	30%	20%
12,50,001 to 15,00,000	30%	25%
15,00,001 & Above	30%	30%

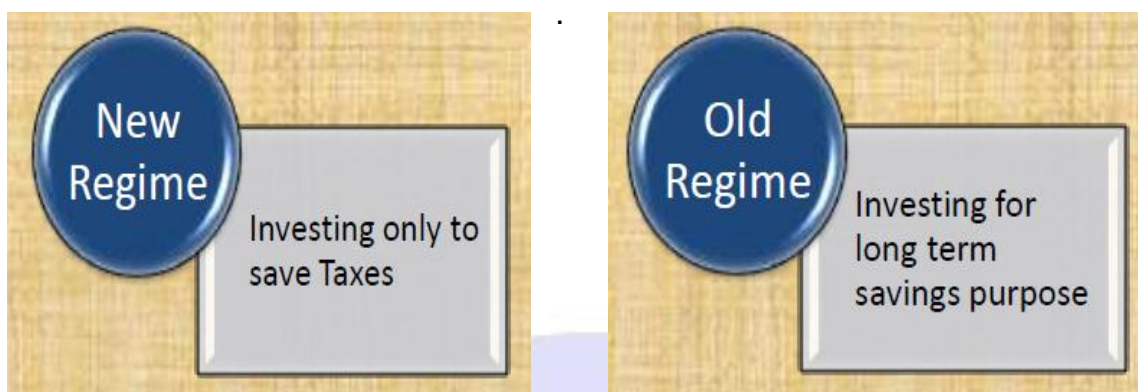
However Gross Total Income is below **5,00,000 NO TAX** is to be paid

If the Assesse choose to pay tax under **new regime** then he needs to **ignore** all **exemptions and deductions** likewise

- Deduction u/s 80c
- Standard deduction under salary
- HRA , LTC
- House loan interest deduction
- Other deductions


MILLION DOLLOR QUESTION???


Is the New Regime beneficial or Old Regime?



What was purpose to introduce new regime?

- As under old regime lots of taxpayer invest their money just to **save taxes**
- To increase **instant spending**

TDS for fees for technical services has been  to **2%** from **10%**.

Tax audit threshold has been  from Rs **1 crore** to Rs **5 crore** provided a turnover / gross receipt in cash do not exceed **5%** during the previous year.

Additional deduction of **Rs.1.5 lakh** for interest paid on home loans will now be allowed for the loans sanctioned till the 31st of March 2021.

DDT has been **discontinued**. 

Eligible startups with a turnover of up to Rs **25 crore** are permitted to **deduct** 100% of its profits for **three** continuous assessment years of seven years

Dividend paid by Indian companies, to a shareholder, who is resident in India, **TDS @ 10%** if the dividend amount exceeds **5000**

Dividend paid by MF to a resident **TDS 10%** will be deducted only if the dividend amount exceeds **5000**

Any payment made by e-commerce operator to the participant, the operator will have to deduct **1% TDS** if exceeds **Rs 5 lakh**.

Miscellaneous:-

***Section 43CA**, if value adopted for the purpose of stamp duty does not exceed 110% of the actual consideration received, then consideration so received shall be deemed to be the full value of the consideration for computing profits and gains on transfer of such asset other than capital assets. Before the amendment it was 105% instead of 110%.*

***Section 50C**, in case of transfer of capital asset being land or building or both, if value adopted for the purpose of stamp duty does not exceed 110% of the actual consideration received, then consideration so received shall be deemed to be the full value of consideration for computing capital gains on transfer of such capital assets. Before the amendment it was 105% instead of 110%.*

Goods & Service Tax

Ladakh has been included under the definition of union territory

Restriction imposed for supplier of services under composition scheme, in line with existing restrictions for supplier of goods



- (i) Supply of services not **leviable** to tax under the CGST Act, or
- (ii) Inter-State outward supply of services, or
- (iii) Outward supply of services through an e-Commerce operator

Delinking of the date of issuance of **debit note** from the date of issuance of the underlying **invoice** for purposes of availing input tax credit

Taxpayer has ITC for Rs. 10,000 in invoice dated 20th August 2019 and a debit note issued for the said invoice on 10th April 2020 bearing ITC Rs. 4,500. Time limit for availing credit in this

Let's assume

a) For Invoice with ITC Rs. 10,000 – Return for September 2020 or date of filing of annual return of FY 2019-20 whichever is earlier

b) For Debit note with ITC Rs. 4,500 – Return for September 2021 or date of filing of annual return of FY 2020-21 whichever is earlier. Earlier, the time limit for such debit note was also reckoned as per date of corresponding invoice.

Amendment has been made to provide for cancellation of registration which has been obtained **voluntarily**

Empowering jurisdictional tax authorities to extend the date for application of revocation of **cancellation** of registration in deserving cases:-

Period for filing an application for revocation of cancellation is at present 30 days from the date of service of cancellation order. However, it has been proposed for extending such period on sufficient cause by Assistant commissioner or Joint commissioner for another 30 days, and by further 30 days by the commissioner

Provisions to be introduced for prescribe manner for issue of **tax invoice** and the cases wherein taxpayers may not be required to issue a tax invoice



Amendment has been made to make the offence of **fraudulent** availment of input tax credit without an invoice or bill a cognizable and non-bailable offence, and to make any person who commits, or causes the commission and retains the benefit of transactions arising out of specified offences liable for punishment

Amendment to be made with effect from 01.07.17, to prescribe the manner and time limit for taking **transitional credit**

Amendment has been made to make provisions for enabling the jurisdictional commissioner to **exercise powers**

Amendment has been made to make provision for enabling issuance of **removal of difficulties** order for another **2 years**, i.e. till five years from the date of commencement of the said Act



Miscellaneous

AGRICULTURE

- Viability gap funding for creation of efficient warehouses on PPP mode.
- SHGs run Village storage scheme to be launched.
- Integartion of e-NWR with e-NAM.

- Elimination of FMD and brucellosis in cattle and PPR in sheep and goat by 2025.
- Increasing coverage of artificial insemination to 70 per cent.
- Doubling of milk processing capacity by 2025.
- Agricultural credit target of ₹15 lakh crore for 2020-21.



WELLNESS, WATER & SANITATION

- More than 20,000 empanelled hospitals under PM Jan Arogya Yojana.
- FIT India movement launched to fight NCDs.



- Viability gap funding proposed for setting up hospitals in the PPP mode.
- Expansion of Jan Aushadhi Kendra Scheme to all districts by 2024.



- ODF Plus to sustain ODF behaviour.
- Focus on liquid and grey water management along with waste management.

EDUCATION & SKILLS

- About 150 higher educational institutions will start apprenticeship embedded courses.
- Internship opportunities to fresh engineers by urban local bodies.
- Special bridge courses to improve skill sets of those seeking employment abroad.

- Degree level online education programmes for students of deprived sections of the society.
- Ind-SAT to be conducted in Asia and Africa under Study in India programme.



About us

Jagmohan Singh & Associates was established in the year 1997. It is a leading chartered accountancy firm rendering comprehensive professional services which include audit, management consultancy, tax consultancy, accounting services, manpower management, secretarial services etc.

Jagmohan Singh & Associates is a professional managed firm. The team consists of distinguished chartered accountant, corporate finance advisors and tax consultants. The firm represents a combination of specialized skills, which are geared to offer sound financial advice and personalized proactive services. Those associated with the firm have regular interaction with the industry and other professional which enables the firm to keep pace with contemporary development and to meet the needs of its clients.

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