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# Gujarat Chamber of Commerce & Industry

ગુજરાત વેપારી મહામંડળ ગુજરાત શ્રી કાર્યસ્થળ

Date: 27<sup>th</sup> April, 2020 / 6225

**Shri Pramod Chandra Mody, IRS**  
Chairperson  
Central Board of Direct Taxes (CBDT)  
Department of Revenue, Ministry of Finance,  
Govt. of India

**Durgesh V. Buch**  
President

**Natubhai Patel**  
Sr. Vice President

**Bhargav Thakkar**  
Vice President

**Sanjeev Chhajer**  
Secretary

**Dilip M. Padhya**  
Secretary (R)

**Pathik S. Patwari**  
Treasurer

**Sub: Request for extension of due date for payment of Tax Deducted at Source ('TDS') for the month of March and April, 2020 upto 31.05.2020**

Respected Sir,

We would like to place on record our sincere appreciation to your good office and the government for comprehensive and robust response to the raging COVID-19 pandemic. We are hopeful that with the right amount of fiscal measures undertaken by the government coupled with supporting monetary measures, the economy will be back on track in the months to come. The phenomenal efforts made by the Government towards prevention and containing the spread, including strengthening surveillance, laboratory capacity, contact tracing and isolation and risk communications are meritorious. The laudable gesture to extend due dates, waiver of penalty for different regulatory and statutory aspects as well as the liberal monetary policy announced by RBI has helped restore the faith of the citizens in its government and we all stand together in solidarity to combat this unprecedented crisis.

**Gujarat Chamber of Commerce and Industry ("GCCI")** hereby takes the privilege to address the concern of its members, being members of trade and industry, Chartered Accountants, Advocates and Tax Practitioners, on issues in implementation and compliance with Income Tax Laws and related aspects, which needs to be addressed by your good office on utmost priority.

The primary objective of GCCI is not only to work for the cause of the trade but also to educate the public at large and to act as a catalyst between citizens and the government authorities. The Direct Tax Committee of GCCI is one of the most important committees of GCCI which is engaged in the matters related to direct taxes and makes representations to the Government, Central Board of Direct Taxes and at other appropriate forums from time to time on various legislative amendments and issues concerning direct taxes and related topics. It endeavours to be a bridge between the taxpayers and the tax administration.

**We are writing this letter to your good self to request you to extend the due date for payment of TDS for the month of March and April, 2020 upto 31.05.2020 due to the following reasons:**

- The due date for payment of March 2020 is 30<sup>th</sup> April, 2020 however lockdown extended till 3<sup>rd</sup> May, 2020:**

Various relief measures were announced by your good self on 24<sup>th</sup> March, 2020 and to give effect to that relief measures, Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 [‘the Ordinance’] was also notified on 31.03.2020. As per the Ordinance, various due dates of return filing, making investments for claiming exemptions under capital gain and certain deductions under Chapter VI-A, date of PAN-Aadhar linking, etc. were extended till 30<sup>th</sup> June, 2020.

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However in the Ordinance, the date of payment of TDS for the month of March, 2020 was not extended and only interest at reduced percentage of 9% p.a. instead of 18% p.a. was to be levied for payment which are due from 20.03.2020 to 29.06.2020 if they are paid by 30.06.2020. Similarly, as the due date for payment of TDS for April, 2020 is 07.05.2020, any amount of TDS paid post 07.05.2020 will also attract 9% interest if paid till 30.06.2020.

We humbly bring to your notice that when this ordinance was brought in, the national lockdown was till 14.04.2020. However, post that, the Hon'ble Prime Minister, looking at the circumstances, rightly extended the lockdown till 3<sup>rd</sup> May, 2020. **With the extension in lockdown and only essential goods / services industries allowed to open, it is getting extremely difficult for the taxpayers to arrive at the TDS amounts and make necessary payments. Also looking at existing conditions, it appears that the lockdown might get extended further making it difficult to make TDS payment even for the month of April, 2020 the due date for which is 07.05.2020.**

Hence the date of payment of TDS for the month of March and April, 2020 be extended to 31.05.2020.

## 2. Other Operational reasons for difficulty in payment of TDS before 30.04.2020 (for March 2020)/ 07.05.2020 (for April 2020):

- a. Normally the TDS amounts are arrived at post all accounting entries for March 2020 are done and also TDS has to be calculated considering the various provisions under the Income Tax Act, 1961. Most factories and offices are closed since 25<sup>th</sup> March, 2020 with practically no work done on the accounts side. Till now, majority of the factories and offices are closed and hence the taxpayers are not in a position to determine the TDS amount.
- b. Further, March, 2020 being the last month of the financial year, lot of entries pertaining to interest, commission, etc. are finalised post settlement of yearly accounts which are yet to be done as on today. Even for TDS on salary, extensive working with cross checking of proper investment proofs have to be done by the employers in March so that TDS is deducted correctly. With the absence of data, it is difficult to arrive at correct TDS figures.
- c. **COVID -19 has made a huge impact on the working capital and financial management of the taxpayers.** While expenses like salary, electricity, rent etc. are fixed and to be incurred, there is no corresponding income due to nil sales / no receivables of earlier sales post lockdown. This has created huge dent on the finances of the tax payers and asking them now to pay TDS amounts and that too on adhoc basis without proper calculation, would be unjust.
- d. While calculating the TDS amount and arriving at correct figure is a major problem, even the payment of TDS is an issue due to the following:
  - Most taxpayers still pay TDS challans physically at the bank counters. As their factories / offices and offices of their consultants are closed, they are unable to generate the manual challans and pay the TDS.
  - Taxpayers might not have their net banking credentials at home. In the absence of challan, they are unable to pay through cash also at bank counters.
  - There is lack of internet facilities in remote areas and these taxpayers have always relied on physical submission of challans at bank counters.

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**Once lockdown is lifted in phased manner, the taxpayers can start operations in first week of May, 2020 and accordingly manage cash flows and make TDS payments till 31.05.2020. Since TDS returns for Q4 2019-20 are to be filed by 30.06.2020, the tax payers will get one month time post 31.05.2020 to file the TDS returns.**

We all are facing this unprecedented situation and we require your co-operation and patient hearing to our concerns. Extending the date for payment of TDS for March, 2020 till 31.05.2020 without any interest will give a huge relief in form of cash flow management to the taxpayers.

We would be very grateful if your goodself would take an early action in this regard and have a positive consideration of our requests. This will be very useful for the members of trade and industry and also for the country at large in these tough times. In conclusion, we request that a suitable orders / clarification may be issued to this effect at the earliest.

With warm regards,

**Durgesh Buch**  
President, GCCI

**Jainik Vakil**  
Chairman, Direct Tax Committee, GCCI

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Copy to:

**Smt. Nirmala Sitharaman**  
Hon'ble Union Minister of Finance,  
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**Shri Ajay Bhushan Pandey, IAS**  
Secretary  
Department of Revenue  
Ministry of Finance  
Government of India