



20<sup>th</sup> April, 2021/7122

To,

Smt. Nirmala Sitharaman  
Hon'ble Union Minister of Finance,  
Ministry of Finance,  
Government of India,  
North Block,  
New Delhi – 110001

**Sub: Extension of various due dates under the Income Tax Act, 1961 & Reduction of TDS/TCS rates by 25% till 30<sup>th</sup> September, 2021**

Respected Madam,

Greetings from Gujarat Chamber of Commerce & Industry.

We would like to place on record our sincere appreciation to the commendable efforts taken by the government to speed up the vaccination drive.

**SECOND WAVE OF COVID -19:** India became the country with the world's second highest number of confirmed COVID-19 cases on 13<sup>th</sup> April, 2021, surpassing Brazil, and now second only to the United States.

**Due to COVID-19 pandemic, following issues are being faced by the trade and industry:**

- Though the Government of India ('GOI') has not imposed any lockdown in the second wave of COVID-19, **the offices are working with 40-50% capacity and they do not expect their workforce to resume work normally in near future, making it strenuous for them to do necessary accounting related work.**
- All entities do not have facility of "work from home" and even employees are not having the required data to work from home.
- Filing of returns and payment of TDS/TCS is not possible without consultation of professionals and auditors of the companies. **Due to COVID-19, even the professionals and auditors are facing the issue of insufficient staff / staff working from home without data / staff quarantined in containment zones etc. making it extremely difficult to perform the required audit procedures and complete the audit in time.**

Natubhai Patel  
President

Hemant N. Shah  
Sr. Vice President

K. I. Patel  
Vice President

Pathik S. Patwari  
Hon. Secretary

V. P. Vaishnav  
Hon. Secretary (R)

Sachin K. Patel  
Hon. Treasurer



- Industries are going towards self-lockdowns, weekend lockdowns and partial lockdowns.
- **Severe Cash Crunch due to COVID-19:** COVID-19 has had a direct negative impact on demand and supply of goods and services and businesses are also facing serious cash flow issues as the economic activities have come to a halt.

**Basis the above-mentioned issues, we are requesting for extension of the following due dates under Income Tax Act, 1961 and Reduction of TDS/TCS rates till 30<sup>th</sup> September, 2021:**

1. **Extension of due date for payment of Tax Deducted at Source ('TDS') and Tax Collection at Source ('TCS') for the month of March, 2021 upto 31<sup>st</sup> May, 2021**

We humbly bring to your notice that due to cash crunch and forced lockdowns / self-lockdowns/ partial lockdowns, businesses might not be able to pay the taxes in timely manner. Hence, looking at the circumstances, it is getting extremely difficult for the taxpayers to arrive at the TDS amounts and make necessary payments.

**Hence the date of payment of TDS and TCS for the month of March 2021 to be extended from 30<sup>th</sup> April, 2021 to 31<sup>st</sup> May, 2021 without liability to pay interest.**

### **Other Operational reasons for difficulty in payment of TDS**

- a. Normally the TDS amounts are arrived at post all accounting entries for March 2021 are done and also TDS has to be calculated considering the various provisions under the Income Tax Act, 1961. Due to the rising second wave and increase in cases, most factories and offices had started closing in March, 2021 end with practically no work done on the accounts side.
- b. Further, March, 2021 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. **Second wave of COVID -19 has had 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 less corresponding income due to less sales / low recovery of receivables. This is creating 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.

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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:

- Many taxpayers still pay TDS/TCS 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/TCS.
- 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.

**Extending the date for payment of TDS for March,2021 till 31<sup>st</sup> May, 2021 without any liability for interest will give a huge relief in form of cash flow management to the taxpayers.**

## 2. Extension of due date to furnish TDS/ TCS returns for the 4<sup>th</sup> quarter of F.Y. 2020-21/ A.Y. 2021-22

The due date for filing TDS/TCS returns for the 4th quarter of F.Y. 2020-21 is 31<sup>st</sup>May, 2021. As the payment date is need to extend due to cash crunch the return filing due date also need to be extended as there should be legitimate time gap is required for the timely filing of return.

**Late fees should not be levied for the filing of TDS/TCS returns till 30<sup>th</sup> June, 2021 and accordingly due date of issuance of TDS/TCS certificates also need to get extended by one month i.e., till 15<sup>th</sup> July, 2021. Moreover, filing of form 15G and Form 15H for March month also need to be extended till 30<sup>th</sup>June, 2021.**We hereby request you to extend the due dates at the earliest to give tax payers sufficient time to cope up with this pandemic and also make sure all compliances are done in timely manner.

## 3. Reduction in TDS/TCS rates by 25% till September 2021:

In order to provide more funds at the disposal of the taxpayers for dealing with the economic situation arising out of COVID-19 pandemic, the rates of TDS/TCS for the non-salaried specified payments made to residents were reduced by 25% vide press release dt. 13.05.20. The reduced rates are applicable only from 14.05.20 to 31.03.21.

But as mentioned above, taxpayers are still under severe cash crunch and reducing the rate of TDS by 25% as done last year, would certainly give them some breather and some more funds to manage the tough situation. Hence, we request your good self to extend the reduce rate of TDS / TCS (25% reduction) till 30<sup>th</sup>September, 2021.

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#### 4. Submission of Form 15G/ 15H and Form no. 61

The due date for uploading declarations received from recipients / assesses in Form 15G/15H during the quarter ending March, 2021 and E-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2020 to March 31, 2021 is 30<sup>th</sup> April, 2021. Basis the reasons mentioned above, the said due date be extended to from 30<sup>th</sup> April, 2021 to 31<sup>st</sup> May, 2021.

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#### 5. Time barring assessments for A.Y. 2018-19

The due date of the scrutiny assessments for A.Y. 2018-19 was 30<sup>th</sup> September, 2020 which was extended till 31<sup>st</sup> March, 2021 and now will get time-barred on 30<sup>th</sup> April, 2021. **In addition, this is the first year of implementing faceless e-assessment.** Since the system of faceless e-assessment is also new for the tax officials, there would be lot of teething problems this year in its implementation. **Due to the reasons mentioned above, we request your good self to extend the time barring dates for A.Y. 2018-19 to 30<sup>th</sup> June, 2021.**

#### 6. Extension of payment of tax under VS Scheme

CBDT had extended the due date for filing declaration under the 'Vivad Se Vishwas' (VSV) scheme till 31<sup>st</sup> March, 2021 and the date for payment of tax without additional interest till 30<sup>th</sup> April, 2021. Due to the above-mentioned reasons and severe cash crunch, the date for payment of tax without additional interest under VSV scheme should also be extended till 30<sup>th</sup> June, 2021.

We all are facing this unprecedented situation and we require your co-operation and patient hearing to our concerns. We would be very grateful if your good self would take an early action in this regard and have a positive consideration of our requests. This will be very useful for the taxation fraternity and also for the trade and industry. In conclusion, we request that suitable orders/clarification may be issued to this effect at the earliest.

With warm regards,

**Natubhai Patel**  
President

**Jainik Vakil**  
Chairman, Direct Tax Committee

#### Copy to:

Shri Pramod Chandra Mody, Chairman, Central Board of Direct Taxes