



14th May, 2021 / 7204

To,

Shri P C Mody

Chairman,

Central Board of Direct Taxes

North Block, Central Secretariat

New Delhi - 110001

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

Sub: Issues faced by trade and industry due to COVID-19 pandemic

Respected Sir,

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

- *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.***
- **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 30th September, 2021 as mentioned below



1. Extension of due date to furnish TDS/ TCS returns for the 4th quarter of F.Y. 2020-21/ A.Y. 2021-22:

The due date for filing TDS returns for the 4th quarter of F.Y. 2020-21 is 31st May, 2021. As the payment date is needs to be extended due to cash crunch the return filing due date also needs to be extended as 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 30th June, 2021 and accordingly due date of issuance of TDS/TCS certificates also need to get extended by one month i.e., till 15th July, 2021. Moreover, filing of form 15G and Form 15H for March month also need to be extended till 30th 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.

2. 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 30th September, 2021.**

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

Gujarat Chamber of Commerce & Industry



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 goodself 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:

Principal Chief Commissioner of Income Tax, Gujarat

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