



26<sup>th</sup> June, 2021 / 7393

To  
The Chairman,  
The Central Board of Direct Taxes (CBDT),  
Government of India,  
North Block,  
New Delhi – 110001

**Sub: Extension of effective date for implementation of new TDS Provisions which are effective from 01.07.2021**

Respected Sir,

Greetings from Gujarat Chamber of Commerce and Industry (GCCI).

At the outset, we would like to appreciate the recent steps taken by the Income Tax Department for timely extension of due dates for ITR and tax audit filings and also for the initiative to have a new portal which is aimed at being more tax payer friendly. We applaud the vision of having a new website which aims to provide convenience and a “modern, seamless experience” to taxpayers. Familiarization with the new system may take some time but the way department is handling the grievances, we are sure the new system will be in place soon.

**We are writing this letter to your good self to extend the applicability of section 194Q, 206AB and 206CCA from 01.07.2021 to 01.12.2021 due to the following issues:**

- Understanding of new provisions and ascertaining their applicability is not possible without consultation of professionals and auditors of the companies. Due to COVID-19, even the professionals 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 / guidance on applicability of new provisions. For section 194Q applicability, various declarations need to be taken from the customers as to avoid the duplication and overlap between section 194Q and section 206C(1H). This requires extensive work and correspondences and even the circular regarding use of functionality under section 206AB and 206CCA was issued recently on 21<sup>st</sup> June, 2021. It will take some time for the members and accountants to get used to the new

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President

**Hemant N. Shah**  
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**K. I. Patel**  
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Hon. Secretary (R)

**Sachin K. Patel**  
Hon. Treasurer

functionality to check the relevant applicability of the sections. There are various issues regarding the applicability of section 194Q like the calculation of TDS on value inclusive of GST, applicability of TDS on goods exported / transactions in electricity / goods purchased for personal use etc. that need urgent clarification from CBDT.

- Though the Government of India ('GOI') has not imposed any lockdown in the second wave of COVID-19, still there are various places in the country that are either still under lockdown or self-lockdowns or partial lockdowns or are under containment zones etc. making it extremely hard for the businesses to even. The strength of workforce at the offices of taxpayers and their consultants is less and nowhere close to its full capacity. The offices are working with 50% capacity and they expect their workforce to resume work in sometime, 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. Entities are spread across the country and they may not necessarily be in big towns or having all required "cloud storage" or "work from home facilities" for employees. In the absence of data, every financial and accounting processes are also hampered.

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 a suitable order may be issued to this effect at the earliest.

With warm regards,



**Natubhai Patel**  
President



**Jainik Vakil**  
Chairman – Direct Tax Committee

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