

Ref. No.: 3207/1/50

07th May, 2021

Smt. Nirmala Sitharaman
Hon'ble Minister for Finance
Government of India
New Delhi

Dear Smt. Nirmala Sitharaman Ji,

Subject : Covid Lockdown and sufferings of traders

We express our deep gratitude to you for accepting our demand for extension of statutory dates of GST and Income Tax and other relief granted to the traders in terms of interest and penalty for not filing the return by the statutory date. In the same line our compliments to Prime Minister Shri Narendra Modi and the Union Government for providing all types of help to States for protecting the lives of the people from deadly Covid pandemic.

In this context, we wish to state that in the current situation, the shops and markets of the trading community are closed due to lockdown in several States. Further, other protective measures like partial lockdown, curfew, night curfew and other similar measures have adversely affected the business activities being conducted by the business community and resulting in a situation where the inflow of money is nil or marginal but the outflow of money is in its full swing as usual which includes establishment expenses like salary to the employees, rent of shops & godowns, EMIs to be paid to the Banks and other financial institutions, interest on the loans obtained by traders for business activities, home loans and various other incidental expenses. All these expenses are being made through the accumulated capital which forces us to recall the wordings of Chanakya who said that *"capital eating in any business leads to destruction of the economy of the Country"*.

As per an estimate in past 40 days, there is a business loss of about 7 lakh crore in non-corporate sector which includes traders, transporters, self employed persons and startups bringing the business activities to a grinding halt. Besides, there is a substantial loss of business to tiny shops, small street vendors, hawkers and various other peoples who are indulging into similar kinds of business activities.

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In this context, we wish to seek following relief from the Government :

1. All statutory dates under GST and Income Tax by which either tax is to be paid or return has to be filed, may be extended till 31st August,2021.
2. Challan should be treated as a document of payment and not Form GSTR -3B under GST, this will encourage the tax payer to pay tax early and the government too will get the taxes in time.
3. The changes brought in procedures through Notification No. 01/2021 – Central Tax New Delhi, the 1 st January, 2021 & Notification No. 94 /2020 – Central Tax New Delhi, the 22nd December, 2020 should be deferred till the same are not discussed with all stakeholders and State GST Commissioners.

The introduction of the above two Notifications have put clutches to the hands of honest tax-payers as well. A businessman cannot be restricted from filing his returns for any reason nor can

he be deprived of the ITC which he has already paid against its inward supplies and also his number cannot be suspended without providing him with an opportunity of hearing.

4. The changes brought through the current budget may be deferred till the same are not discussed with all stakeholders and State GST Commissioners. .

5. The Banks should be directed not to charge any interest on the loans for the period of lockdown and a moratorium of six months may be allowed to pay the EMIs of the loans or squaring up the loans and advances.

6. To facilitate the small traders to keep business activities running, a " **Corona Loan**" may be given to traders at a reasonable rate of interest with limited KYC to enable particularly the small traders having a turnover of up to Rs.10 crore.

7. The traders should be brought under the ambit of MSME. Earlier, the traders were part of the MSME but by an office order in 2017, they were excluded from the purview of MSME. The relief announced by RBI Governor is applicable to MSME only. The traders can not take advantage of the scheme as they have been eliminated under MSME. Therefore, in pursuance of the intent of the Government to provide relief to small sectors, the traders should be included under the purview of MSME.

8. The salaries of the lockdown period of the employees who are registered under ESI may be given from the ESI welfare fund which is having an accumulated balance of about Rs. 60 thousand crores, to the best of our knowledge. .

9. It is to be recalled that in any package which was announced last year, the traders were not given a single penny. It is requested that a suitable package may be announced for the traders which will enable them to continue their business activities in a smooth manner.


We are sure that you will be kind in accepting our humble proposals as above which will certainly provide enough strength to the traders to stand on their own legs.

We shall be grateful if an earliest convenient appointment may be given to us to discuss the proposals raised by us. Meanwhile, we would like to assure that more than 40 thousand trade associations in the Country stand in solidarity with the Government for its fight against Covid pandemic.

We are sure that it will meet with your immediate attention and you will be kind in taking necessary action.

Thank you. With regards

Yours truly



Praveen Khandelwal

National Secretary General

Confederation of All India Traders