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Ref. No: GJEPC/IT/2020-21

28th April, 2020

To,

All the Members of the Council

Sub: Rule 30 of Income-tax Rules – Opting for quarterly payment of TDS as against monthly payment – Reg.

Dear Members,

As a result of COVID-19 pandemic, all business around the globe are seriously affected. In such testing times, the priority of the business' is to preserve cash and generate short-term cash opportunities.

From an Indian income tax standpoint, there is a potential opportunity to preserve liquidity for your business operations in current difficult times. As per Rule 30 of Income tax Rule, 1962 ('the Rules'), an assessee has to deposit the taxes withheld on monthly basis. However, the said rule also provides an exception, whereby, in special cases, **the assessing officer, after seeking approval from his senior tax authorities such as Joint Commissioner of Income-tax or Commissioner of Income-tax, may grant relaxation from monthly payments.**

The exception is applicable in case of the following specified payments:

- **Salary payments under section 192 including on section 192A – perquisites**
- **Interest payments** other than interest on securities under **section 194A**
- **Insurance commission payments under section 194D**
- **Commissioner or brokerage payments under section 194H**

As per Rule 30, the tax authorities can pass an order directing the assessee to make **quarterly payment** of taxes instead of **monthly payments** for the above specified taxes withheld. The above exception would be helpful to overcome short term cash crunch situations.

रत्न तथा आभूषण निर्यात संवर्धन परिषद | The Gem & Jewellery Export Promotion Council

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The extract of the Rule 30 is reproduced hereunder:

Rule 30 - Time and mode of payment to Government account of tax deducted at source or tax paid under sub-section (1A) of section 192

“(3) Notwithstanding anything contained in sub-rule (2), in special cases, the Assessing Officer may, with the prior approval of the Joint Commissioner, permit quarterly payment of the tax deducted under section 192 or section 194A or section 194D or section 194H for the quarters of the financial year specified to in column (2) of the Table below by the date referred to in column (3) of the said Table:—

<i>Sl. No.</i>	<i>Quarter of the financial year ended on</i>	<i>Date for quarterly payment</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
1.	30th June	7th July
2.	30th September	7th October
3.	31st December	7th January
4.	31st March	30th April

Members may take a note of above provisions in Income Tax Rule 1962 which may turn helpful in terms of relaxation of certain monthly tax payments to Govt. in these difficult times due to severe impact of Covid-19 pandemic on all businesses including Indian G&J industry.

Thanking you,
With best regard,

Sd/-

SABYASACHI RAY
EXECUTIVE DIRECTOR

Encl: [Click here to download Rule -30 of IT](#)

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