

Date: 7<sup>th</sup> October, 2020

To,

**Smt. Nirmala Sitharaman,**

Hon'ble Finance Minister,

Ministry of Finance, North Block,

New Delhi 110 001.

**Hon'ble Madam,**

**Sub: Request for Extension of Due Dates for filing Tax Audit, Transfer Pricing Audit  
and Income Tax Return for Assessment Year 2020-21.**

The Chamber of Tax Consultants, established in 1926, is one of the oldest non-profit organizations of tax practitioners of Mumbai, having Advocates, Chartered Accountants and Tax Practitioners as its members. Many senior tax professionals who regularly appear before ITAT, High Courts and the Supreme Court are its Past Presidents. The Chamber has been making regular representations before various government agencies.

The Chamber regularly takes up initiatives to act as a bridge between stakeholders and concerned regulatory bodies in order to convey and help in resolving genuine grievances or effectively implement the laws.

Today, we have come forward with a request of extending the due dates of Tax Audit, Transfer Pricing Audit and Income Tax Return filing. Apart from others, this request is based on three major reasons being:

**1. The Covid-19 Pandemic**

At the outset, we commend the Government for the way the pandemic has been efficiently tackled during the various phases of lockdown and unlock. We also appreciate the extension provided for tax audit and income tax return filing up to 31<sup>st</sup> October, 2020 and 30<sup>th</sup> November, 2020 respectively.

While the country has been unlocked gradually, the spread and severity of the Corona virus has not been reduced and instead is rising each day. Amidst this, several restrictions are still in place in various States and movement is still restricted. Commuting via public buses and/or other public transport is restricted and not fully operational. The numbers of reported cases of COVID-19 are still increasing and there

is a fear among the people of getting infected due to which they prefer not travelling at all or restrict it to the vicinity of their homes for their necessity. Due to this, several industries and private offices have still not resumed functioning at all or fully. This also includes the offices of the Chartered Accountants and Tax Practitioners.

Due to this, the details required for carrying on tax audit and filing the return of income are not being received promptly and thus the audits cannot be efficiently performed. Also travelling to the place of audit is very difficult for the professionals and their staff.

Several Chartered Accountants and Tax Practitioners themselves have also been infected and have not been able to work for minimum of 14 days. Also, visiting any audit place all the more exposes them to the virus making them prone infection. Further, the senior citizens including senior professionals and senior assesseees are advised to stay at home

These hindrances are making it very difficult for the assesseees, the Chartered Accountants and the Tax Practitioners to comply with even the extended due dates.

At this juncture, we would like to appreciate that for the very same reasons that we have cited above, *i.e.* genuine difficulties being faced by the taxpayers due to outbreak of COVID-19 pandemic, the CBDT has further extended the date for filing belated and revised return of income for Assessment Year 2019-20 from 30<sup>th</sup> September, 2020 to 30<sup>th</sup> November, 2020.

## 2. Extension of last date of AGM

Due to the current pandemic situation, the last date of holding AGM for corporates has been extended to 31<sup>st</sup> December, 2020 by Ministry of Company Affairs. Based on this, the statutory audit can be concluded even beyond 30<sup>th</sup> November, 2020.

The tax audit can be conducted only post completion of statutory audit, post which only the income tax return can be filed by the Company. In a case where the Transfer Pricing audit is also applicable, the return shall be filed only after the filing of Transfer Pricing Report in Form No. 3CEB. Therefore, complying with the tax audit and Transfer Pricing Report due date of 31<sup>st</sup> October, 2020, and return filing due date of 30<sup>th</sup> November, 2020 seems very improbable.

One may note that since the date of AGM is extended, Annual Returns by the companies will be filed only subsequently. This will delay in getting database for the purpose of comparables for the Transfer Pricing audits.

Adequate time must be provided to comply with the audit and return filing timelines in order to maintain the quality of work.

### 3. Delay in release of return filing utilities

The utilities for the income tax return were made available only June'20 onwards instead of April'20. Following is the chart showing the release date and the latest update date:

Sr. No.	Income Tax Return	Schema Release Date	Schema Updation Date	Utility Updation Date
1	ITR 1	June 2, 2020	June 15, 2020	July 8, 2020
2	ITR 2	June 26, 2020	September 11, 2020	September 11, 2020
3	ITR 3	July 31, 2020	August 29, 2020	September 4, 2020
4	ITR 4	June 5, 2020	July 8, 2020	August 12, 2020
5	ITR 5	August 25, 2020	-	August 25, 2020
6	ITR 6	September 22, 2020		October 1, 2020 (Excel Utility) Java Utility not Released
7	ITR 7	September 3, 2020	-	September 3, 2020

Usually, the income tax returns are notified in the month of April, but due to the pandemic, the release of the returns also have been delayed on an average by 4 months.

Meanwhile, amendment to Income Tax Rules and Forms vide Income-tax (22nd Amendment) Rules, 2020 by Notification No. G. S. R. 610(E) dated 1<sup>st</sup> October, 2020, has been amended. All reports (including reports ready for signature) after 1<sup>st</sup> October, 2020 needs to be accordingly updated in new form. These amendments of new forms will further require time for the assesseees and professionals to carry out the changes for the proper compliance.



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With due respect to the above difficulties faced by the assesseees and the professionals, we request your Honour to take them into consideration and extend the due dates for tax audit and transfer pricing audit to 31<sup>st</sup> January, 2021 and the Income Tax return filing to 28<sup>th</sup> February, 2021 at the earliest. The entire fraternity of taxpayer and professionals will highly appreciate if this is done soon enough (*i.e.* well in advance) to allow them to get a clarity and to focus on filing of returns of non-corporate/non-tax audit entities which would continue to be 30<sup>th</sup> November, 2020.

We look forward for your kind consideration to the genuine request.

Yours Sincerely,

For THE CHAMBER OF TAX CONSULTANTS

Sd/-	Sd/-	Sd/-
Anish Thacker President	Mahendra Sanghvi Chairman Law and Representation Committee	Apurva Shah Co-Chairman

CC: Shri Pramod Chandra Mody  
Chairman CBDT