

HYDERABAD CHARTERED ACCOUNTANTS' SOCIETY

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23rd December 2020

To
Smt. Nirmala Sitharaman,
The Hon'ble Finance Minister,
Ministry of Finance,
Government of India,
North Block,
New Delhi-110 001.

Respected Madam,

Sub: Request for extension of various due dates under Income-tax Act, 1961 for AY 2020- 21 and for filing the Annual Reconciliation Statement (GSTR 9C) along with the annual return (GSTR 9) for financial years 2018-2019 & 2019-2020

We, Hyderabad Chartered Accountants' Society is established to work dedicatedly and continuously for the benefits of the Professionals, Trade & Industry. We believe in taking all the requisite steps and actions to ensure smooth & complete tax and other statutory compliances by the stakeholders. We always believe in helping professionals in resolving genuine grievances & effective implementation of law.

At the outset, We sincerely salute, congratulate, feel proud of in connection with all the efforts taken by you in the capacity of the Finance Minister of India during the on going pandemic.

Despite the large number of facilitations made and given by you to us, We humbly wish to bring to your kind notice, the following problems faced by Taxpayers and Tax Professionals as well, due to the ongoing COVID19 pandemic and the resultant thoughtful need to further extend the various due dates under the Income-tax Act, 1961 for AY 2020-21 and for filing the Annual Reconciliation Statement (GSTR 9C) along with the annual return (GSTR 9) for financial years 2018-2019 & 2019-2020.

- As you are kindly aware of the current scenario , almost all the spheres of life have been facing the effects of ongoing COVID19 pandemic even now. Taxpayers are equally affected.

- More recently, many cities are seeing surge in COVID positive cases and there is a talk of a third wave. Recent news coming out from United Kingdom suggests that their country is again on the verge of a stricter lockdown as the new variant of corona virus is being spread at a rate of 70 percent faster than the on going virus speed. Experts suggest that it's going to effect even the people with better immune system this time. We in India as well might have to soon hear about the steps to prevent such powerful virus.

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- Most people are scared to travel by the other modes of public transport for fear of getting infected. As a result of which, Corporates and Professionals find it practically hard to complete the tasks with deadlines as they are not able to regularly attend their offices. Needless to admit the fact that the concept of Work From Home has its own limitations, besides the positives it offers.

- Most Professionals and their client tax payers are of the view that it is very difficult to meet with the various deadlines for income-tax compliances as their main focus right now is on getting their operations on track. Unless the Government shows it's leadership capability of enabling the business community to restore their operations properly, the community would be hit harder than ever.

- Most of the Business Establishments, Tax Professionals are finding it extremely hard to operate at full capacity. The shortage of manpower adds even more fuel to the already set fire. Issues like above along with the unexplainable issues are making it practically impossible for most of our members and the taxpayers to adhere to the revised due dates of 31.12.2020.

- We would love to bring to your notice a special sensitive fact that many of our Members in Practice are senior citizens for whom it is inadvisable to move out as they are more susceptible to the pandemic.

Extension of due dates under Income-tax Act, 1961:

As per the amendments carried out vide the Finance Act 2020 as also the subsequent notifications, the due dates for filing ITR forms and Tax Audit Reports (TAR) for AY 2020-21 have been proactively extended to 31.10.2020 and 31.12.2020 respectively.

For income-tax assessee who are not subject to any audit (for e.g. salaried taxpayers), the due date for filing the income-tax return for AY 2020-21 stands extended to 31st December, 2020.

Technical Difficulties

- During the month of December, there are many other Compliances to be made like filing of DT-VSVA applications (necessary follows ups with department for the same including Rectifications, Appeals Condonations, etc connected thereto), payment of Advance tax, filing of relevant GST returns, GST Annual Returns over & above Audit & Tax returns.

- Further, in the ITRs for AY 2020-21, the Capital Gains transactions have to be reported in great details which are a very time-consuming activity.

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• Apart from the major issues arising due to COVID19 pandemic hampering compliances regarding filing of ITR forms and Tax audit reports, certain concerns like delay in release of online e-filing utilities & continuous and regular updation in the Schemas of the ITR/TAR Form filing utility and detailed information to be provided in notified ITR forms requires time, needs to be kept in mind for considering the due dates extension.

There is a genuine case for extension of due dates of ITR and TAR, Transfer Pricing report and all other reports under the Income-tax Act for A.Y. 2020-21.

It may be noted that the limitation dates for the completion of income-tax scrutiny proceedings which initially were due in the month of September 2020 have been extended to March 2021. There is no reason why the due dates for the above compliances for tax payers should also not be given the same benefit considering the similar grievances / circumstances.

Extension of due dates under GST Act, 2017:

The current due date for filing the annual reconciliation statement (GSTR 9C) along with the annual return (GSTR 9) for financial years 2018-2019 & 2019-2020 is 31st December 2020.

• The clarification in respect of the treatment of certain items to be presented in the GST Annual Return was provided as late as on 9th October 2020. Companies and Consultants are also occupied in ensuring seamless implementation of the e-invoicing provisions with effect from 1st January, 2021 for a large set of mid-sized taxpayers.

• Additionally, the process of preparation of the reconciliation statement and the verification of the claims made by the taxpayer in the said reconciliation statement begins after the financial statements are finalised. For FY 2019-2020, the due dates for filing the financial statements with various regulatory authorities has been extended. Therefore, in the absence of finalised Audited Financial Statements, the process of GST Audit cannot begin. Further, the GST Portal has enabled the filing of the GST Audit Reports for FY 2019-20 only a few days back.

REQUEST: With due respect to the above difficulties faced by the assesseees and the professionals, we request your Honor to take them into consideration and extend the due dates for tax audit, transfer pricing audit and other returns under income tax act as under:

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Return / Audit Reports	Present Due Dates	Requested Due Dates
Tax Audit/TP Audit	31st Dec., 2020	28th Feb, 2021
Income Tax Return (Audit Case)	31st Jan, 2021	31st Mar, 2021
Income Tax Return (Non Audit)	31st Dec., 2020	28th Feb, 2021
GSTR 9 & 9C for FY 2018-19	31st Dec., 2020	31st Jan., 2021
GSTR 9 & 9C for FY 2019-20	31st Dec., 2020	31st Mar, 2021

Considering the situation that all of us find ourselves in at the moment, there is an urgent need for a notification to be issued immediately for the extension of various due dates. We will be highly obliged and appreciate if a timely and prompt decision (well before the present extended date) is taken in this matter.

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

Thanking you,

Yours sincerely,

M. Prabhakumar
Moringi Prabhina Kumar
President,
Hyderabad Chartered Accountants' Society

cc: 1. Hon. Shri Anurag Thakur, Minister of state, Finance
2. Shri P C Mody, chairman, CBDT
3. chairman, CBIC