



To

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

Respected Madam,

Re: Request for extension of various due dates under Income-tax Act, 1961 for AY 2020- 21 and for filing the Annual Reconciliation Statement (GSTR9C) along with the annual return (GSTR9) for financial years 2018-2019 & 2019-2020

We appreciate the emergent steps taken by Government to provide the relief to the people and making all possible efforts for their well being to tackle the challenges faced by the country due to the unprecedented outbreak of Covid-19 Pandemic.

To mitigate the hardship faced by the tax payers due to unprecedented situation, government remained proactive by introducing The Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act extending various due dates of statutory compliances. We hereby convey our grateful

thanks for responding to the representations of our associations filed time to time, further hereby due date for furnishing of various audit reports under the Income Tax Act, including Tax Audit Report and report in respect of international/specified domestic transaction has also been extended to 31st December,2020. The due date for furnishing of Income Tax Returns for the taxpayers (including their partners) who are required to get their accounts audited has also been extended to 31st January, 2021.

➤ **Impact on audit and statutory compliance work due to Covid Restrictions**

Due to the risk of Pandemic, restrictions are imposed by the Government/Local Authorities about staggering of work/business hours in offices, work places, shops, markets and industrial & commercial

establishment; frequent sanitization of entire workplaces, common facilities and all points which come into human contact. All persons in charge of work places are expected to ensure adequate distance between workers, adequate gaps between shifts, staggering the lunch breaks of staff, etc. Persons aged 65 year or above are not allowed to move outside. All these restrictions coupled with the mandatory quarantine for period of 14 days of family members/other contact persons have placed several limitations on working efficiency/productivity of businesses and professional firms. Several Tax Professionals & Chartered Accountants themselves, their staff, family members, are either bereaved of their beloved ones or infected. Details, information, accounts required for completing audits and filing of I.T. returns are not being received promptly. Audit staff/assistants, who are back bone of doing the tax audit work, preparation of Tax Audit Reports/I.T. returns are feeling low and not able to regularly attend office of Tax professionals. Even clients are facing the similar limitations/restrictions. Till date we are not sure about, when these days will be over and we will be able to function normally.

➤ 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 TAR for AY 2020-21 have been proactively extended to 31.01.2020 and 31.12.2020 respectively. For income-tax assesseees 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.

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 updating 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 (GSTR9C) along with the annual return (GSTR9) 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 have 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.

In view of the above mentioned genuine difficulties faced by tax payers of the country, we humbly request you to kindly direct the CBDT to extend all the deadlines under the Income-tax Act for AY 2020-21 to 31st March, 2021 and to extend the due dates for FY 2018-19 & 2019-20 under GST Act also to 31st March, 2021.

Considering the unprecedented 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. If such announcements of extension are made at the eleventh hour, it causes immense stress and affects the health of all concerned.

It may be noted that the filing of the reconciliation statement and the annual return does not involve the payment of any GST. The taxes became due on monthly and quarterly basis and were paid in normal course. The process of filing the reconciliation statement and annual return would only result in small increment tax collections on account of inadvertent omissions made by the taxpayers. Therefore, the grant of the extension in due date is unlikely to have any significant impact on the revenue collections.

We hope that our suggestions would be favorably considered. We would be happy to explain the same over a video conferencing call if considered necessary by your good office.

Thanking you,

Yours sincerely,

Chandigarh Chartered Accountants Taxation Association

M. Kohli

CA Manoj Kohli

(Secretary)

Date: 16/12/2020

Place: Chandigarh

cc. 1. Hon. Shri Anurag Thakur, Minister of State, Finance
2. Shri P C Mody, Chairman, CBDT