



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of parliament)

Indore (CIRC)

Indore/2021-22/Rep-1

6th January, 2022

To,

Shri J.B. Mohapatra,
Chairman,
Central Board of Direct Taxes,
Ministry of Finance, Government of India,
North Block, New Delhi – 110001

Dear Sir,

Re: Request to consider waiver of penalty for delay in furnishing of Report of Audit under any provision of the Income-tax Act, 1961 for the A. Y. 2021-22.

The Institute of Chartered Accountants of India (ICAI) has been playing an important role in facilitating proper administration and compliance of the tax laws in order to assist the Government in increasing the tax base.

Through this letter, we wish to bring to your kind attention, issues and concerns faced by the assesseees in meeting the extended statutory timeline of 15.01.2022 for furnishing Report of Audit under any provision of the Income-tax Act, 1961 (Act) for the Previous Year (PY) 2020-21 due to various reasons in these covid situation.

Introduction/Background

1. It is noticed that the CBDT did suo moto extend the various due dates under the Income-tax law vide Press Release dated 09.09.2021. It was, inter alia, specified that the due date of furnishing of Report of Audit under any provision of the Act for the PY 2020-21 would be 15.01.2022. Due dates for furnishing non-audit ITRs was also extended from July 31, 2021 to December 31, 2021.





THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of parliament)

Indore (CIRC)

2. As on the even date, certain forms like Form No. 3CEB are not available on the IT Portal. In filling up the other forms, difficulties are encountered. As regards, certain other forms like 10C, 10B, difficulties are still continuing.
3. Further, considering the current situation of lockdowns and extremely fast spread COVID19 and consistent issues being faced in the operation of the new portal, compliance is meeting with hinderances.
4. In the matter of audits including tax audits, the ICAI members have onerous responsibility to maintain and enhance quality of reports. The Government is well aware that the Institute has the responsibility of ensuring and enhancing the quality of services provided by its members to clients and other stakeholders. In fact, the prime objective of tax audit is to assist the assessing officer to determine income from business or profession. It is also necessary to emphasize for your kind appreciation that in the context of audit requirements, the Chartered Accountants are also the stakeholders.
5. Clustering of due dates have also added to the problems already faced.

Issues and concerns

Covid spread causing lockdowns and hampering normal working

The current situation of the country is well known to all. On a daily basis, stricter restrictions are being imposed by various Governments/authorities so as to reduce and control the spread of Covid19 virus eg States like Delhi, Maharashtra, Andhra Pradesh etc. have imposed strict weekend curfew as well as night curfew. Similar conditions are prevailing in almost all parts of the country currently. The Government is also of the view that the virus is spreading at an unprecedented pace and 3rd Covid wave has officially started in India. Almost lockdown type situations are prevailing in the country.





THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of parliament)

Indore (CIRC)

Tax Audit also involves discussion & consultation between the clients & staff on one hand & CA & its team on the other hand. This process has been restricted from past several months due to restrictions following pandemic.

Due to lock-down situation, there is almost no public transport for employees to travel to and from office. This has paralysed, albeit partially but substantially, functioning of Government offices including income tax.

Under the circumstances, the adherence to the extended due dates may not be possible. Majority of the assesseees would be unable to meet the extended time-line(s) w.r.t various compliances under the Income-tax law, albeit involuntarily due to pandemic.

For Indore Branch of CIRC of ICAI



CA. Kirti Joshi

Chairman

9753974737 (M)