Sales Tax Bar Association (Regd.)

ST BAR
Estd. 1957

Office:
IInd Floor, Department of Trade & Taxes,
Vyapar Bhawan, Indraprashtha Estate,
New Delhi-110002

Ph. : 011-23318682
EPABX : 23352310 to 14
Extn. : 3666, 3667

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9810071545	9891112120	9811949733	9891468846	9711468866

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9811013940

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9711953429

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Ref.: STBA/2026/41 Sept. 23, 2026

To
Smt. Nirmala Sitharaman
Hon'ble Union Minister of Finance
Room No. 15075, 5th Floor,
B-Wing, Kartavya Bhawan,
New Delhi-110001

Subject: **Representation seeking extension of due date for furnishing Tax Audit Reports for AY 2026-27 from 30th September 2026 to 31st October 2026.**

Hon'ble Madam,

1. Sales Tax Bar Association (Regd.), having been established on 30th March, 1957, is one of the oldest and the largest Association of Tax Professionals in the country. The Bar represents majority of members of various professions practicing in Direct & Indirect Taxes. **Sales Tax Bar Association (Regd.) plays a major role in revenue collection by the department**. Present membership of our Bar Association is around 2000 comprising of Advocates, CA's and Tax Practitioners. Some of our members were elevated as Judges of the Hon'ble Delhi High Court and elevated as Judges of the Hon'ble Supreme Court. Some of our members further were also selected for appointment as Member of the Income Tax Appellate Tribunal (ITAT) and Goods & Services Tax Appellate Tribunal (GSTAT).

2. The Association is actively engaged in the taxation sector, most respectfully submit this representation on behalf of our members and the larger fraternity of taxpayers. The Association, with its legacy of around seven decades, has consistently endeavoured to act as a vital link between taxpayers, professionals, and the Government in matters of taxation and compliance.

3. At the outset, we place on record our appreciation for the categorisation of the due date for filing of Income Tax Returns in Salaried Individuals & HUF (No Audit) as 31st July, 2026 and Non-Audit Businesses & Professionals as 31st August, 2026. The said measure has provided much-needed relief to taxpayers and professionals in the face of continuing challenges.

4. However, it is respectfully submitted that, despite such relief, critical operational and systemic constraints such as portal difficulties in Login & OTP failures, DSC error, Form 3CD validation errors and slow peak hour response are being reported and worsen as the deadline nears continue to undermine the capacity of tax professionals and taxpayers as the current timelines for compliance under the Income Tax Act, 1961, particularly with reference to filing of Tax Audit Reports (TAR), are impracticably close to the due date for filing of Income Tax Returns (ITR) in non-audit cases as the compliance calendar has been compressed from an approximately two-month interval to one month.

5. AY 2026-27 is itself a transition year with additional compliance complexity. The present compliance season is also materially different because AY 2026-27 is the final assessment year governed by the Income-tax Act, 1961, while the Income Tax Act, 2025 has come into force from 1st April 2026 for the subsequent tax year. Consequently, professionals are presently operating in a transition environment involving two statutory frameworks and multiple categories of forms, compliances and reporting requirements. The September compliance cycle therefore cannot realistically be viewed in isolation.

6. Progressive and staggered availability of ITR utilities has materially reduced the effective working period. The official Income-tax Department portal reflects that the AY 2026-27 ITR utilities were released and updated progressively, with several utilities being made available or revised only in July 2026 & updated as late as 1-2 September 2026.

This has a direct bearing on tax-audit finalisation, as the particulars reported in Form 3CD, financial statements, tax computation and corresponding ITR schedules are intrinsically interconnected and require consistency and reconciliation.

Accordingly, this necessarily reduces the effective time available for finalisation and cross-verification of the Tax Audit Report and the Return of Income, particularly in cases involving detailed disclosures and reconciliation requirements.

7. Extensive reconciliation and verification required for completion of Tax Audit. The nature of tax audit has evolved substantially. A tax auditor is required to undertake detailed verification and reconciliation, inter alia, with

(i) GST turnover and GST returns;

(ii) AIS and TIS;

(iii) Form 26AS;

(iv) TDS/TCS statements; etc.

A mismatch in any of these databases does not merely require a mechanical correction. It frequently requires obtaining explanations, supporting documents, confirmations and reconciliations from the taxpayer before the auditor can responsibly certify the particulars.

The detailed reconciliation requirements inter alia mentioned above are therefore a genuine part of the statutory audit process and not merely an administrative burden.

8. The issue is nationwide and not confined to an isolated class of professionals. Representations have independently been made by professional and business organisations from different parts of the country seeking extension of the tax-audit deadline due to festival season of Ganesh Mahotsava, Jain festival etc. celebrated across the nation in September month. Further, rains and flood like situations in many States of the Country leading to internet failures and restricted access to premises.

The commonality of the grounds—compressed timelines, utility updates, reconciliation requirements, increased reporting, overlapping compliances and practical difficulties due to varied reasons mentioned herein–demonstrates that the issue is systemic and nationwide rather than localised. The present year has the objectively verifiable structural issue of the reduced effective audit window and staggered availability of utilities. The present representation should therefore be considered as a request arising from the structure of the compliance calendar rather than from an isolated technical difficulty.

9. Extension will not prejudice the legitimate interest of Revenue. The relief sought is procedural and does not involve any waiver of tax; reduction of tax liability; & relaxation of substantive provisions.

PRAYER

In view of the circumstances set out above, we most respectfully request the Hon'ble Finance Minister and the Central Board of Direct Taxes to kindly consider the matter on an urgent basis and:

I. Extend the specified date for furnishing the Tax Audit Report under Section 44AB, including Forms 3CA/3CB read with Form 3CD, for AY 2026-27 from 30th September 2026 to 31st October 2026;

II. Correspondingly extend, wherever required, the due dates for other audit reports/forms falling due during the same compliance period, including Forms 10B and 10BB, so as to maintain a coherent compliance calendar;

III. Extend the due date for furnishing the Return of Income in audit cases from 31st October 2026 to 30 November 2026, thereby preserving the statutory one-month interval between furnishing of the audit report and filing of the return;

IV. Issue the necessary order/circular at the earliest and, preferably, sufficiently before the existing due date, so that taxpayers and professionals are not compelled to continue working under uncertainty until the last few days of September;