



15th 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,

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 wish to bring to your kind notice the following problems being faced by taxpayers/tax professionals due to the ongoing COVID19 pandemic and the resultant need to further extend the various due dates under the Income-tax Act, 1961 for AY 2020-21 as well as under the Goods and Services Tax Act for F.Y. 2018-19 & 2019-20.

As you are kindly aware that the effects of COVID19 pandemic is not yet over and is affecting all spheres of life even now. Taxpayers are equally affected. More recently, some metros like Delhi are seeing surge in Covid positive cases and there is a talk of a third wave. Similarly, in metros like Mumbai, the life line for millions of people i.e. the local trains are not yet activated for the common man. Most people are scared to travel by the other modes of public transport for fear of getting infected. The number of COVID positive cases continues to be high. This has forced many of the States to fix working hours and also week end lock downs, night curfews, restrictions of movements of people and disruption of transport systems, entries and exits in many States. As a result, corporates and professionals are unable to complete the tasks as they are not able to regularly attend their offices. Working from home has its own limitations.

We, the voluntary bodies of CAs from across India have been approached by several of our members expressing their concerns at the difficulties being faced because of the COVID19 pandemic. 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 focus right now is on getting their operations on track. Most of the business establishments as well as tax professionals are finding it difficult to operate at full capacity. The shortage of manpower has paralysed the continuity of work. All such issues are making it virtually impossible for most of our members and the taxpayers to adhere to the revised due dates of 31.12.2020. 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 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.



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, appeal 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 is a very time-consuming activity.

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 (GSTR9C) along with the annual return (GSTR9) for financial years 2018-2019 & 2019-2020 is 31stDecember 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 9thOctober 2020. Companies and consultants are also occupied in ensuring seamless implementation of the e-invoicing provisions with effect from 1stJanuary, 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.

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 favourably 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,

Suhas Paranjpe
President,
Bombay Chartered Accountants' Society

Ketan Mistry
President,
**Chartered Accountants Association,
Ahmedabad**

Rasesh Shah
President,
Chartered Accountants Association, Surat

Kumar S. Jigajinni
President,
**Karnataka State Chartered Accountants
Association**

Anshul Agarwal
President,
Lucknow Chartered Accountants Society

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