

Request to consider further extension(s) of various due dates under Income-tax Act, 1961 especially Tax Audit Reports and related returns and Income Tax Return Forms for AY 2020-21

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ICAI/DTC/2020-21/Rep-31

6th January 2021

To
Chairman,
Central Board of Direct Taxes,
Ministry of Finance,
Government of India,
North Block,
New Delhi-110 001.

Sir,

Re: Request to consider further extension(s) of various due dates under Income-tax Act, 1961 especially Tax Audit Reports and related returns and Income Tax Return Forms for AY 2020-21

We refer to our earlier representation (ICAI/DTC/2020-21/Rep – 26 dated 13.12.2020) submitted to your good office detailing therein issues/concerns being faced by taxpayers/members due to ongoing COVID19 pandemic and the resultant need to further extend the due dates of filing ITR Forms and Tax Audit report and other related returns/reports for AY 2020-21. Considering the problems being faced by the taxpayers, government has provided further time to the taxpayers for furnishing of Income Tax Returns, tax audit reports etc. vide Notification No. 93/2020 dated 31.12.2020. We duly appreciate the same. However, we wish to inform that the said extended time of 10 days for furnishing of ITR Form for AY 2020-21 for certain specified assessees and 15 days for furnishing of tax audit reports and related returns is not at all sufficient.

Issues & Concerns – Case for further extension of due dates of ITR and TAR filing

You may well appreciate that this year is an exceptional year due to Covid-19 pandemic. Further, despite recent approval by concerned regulatory authorities of vaccines for emergency use to cure this dreaded disease, it is still not good enough and risk in general is not yet over. United Kingdom has just imposed a 6-week lockdown as a mutated and already several positive cases of people in India of the said UK Covid virus has been reported.

Being unprecedented circumstances due to Covid-19 and an exceptional year, the inconvenience caused to the taxpayers in particular is immeasurable. Several hardships and difficulties, both operational and financial, are still being faced making it difficult for both taxpayers and professionals to meet the extended deadline of furnishing of ITR Forms and TAR for AY 2020-21 within a week or so from now. The extension of 10-15 days does not appear to be a really very supportive stance to deal with such a large-scale pandemic situation.

Last but not the least, we cannot forget the apathy being faced by the taxpayers and professionals of North India, especially the people of NCR of Delhi due to on-going agitation by farmers (Kisan Andolan) for last nearly 40 days. You may also consider the situation from the point of view of senior tax professionals and assessee above the age of 65 years, who are more prone to the deadly diseases.

Also, it may not be out of place to mention that the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 had extended the due dates for delivering Statements of TDS and TCS of 1st and 2nd quarters of FY 2020-21 to 31.03.2021, however, the due date for 3rd quarter of FY 2020-21 remains 15.01.2021 for TCS and 31.01.2021 for TDS under the law, which has not been extended. These dates also need to be extended to 31.03.2021 for harmonious compliances in this regard.

Suggestion(s):

In the interest of the Nation as a whole, it is once again humbly requested that the due dates u/s 139(1) of the Income-tax Act, 1961 for furnishing return of income as well as the specified date u/s 44AB of the Act for furnishing tax audit report and related returns for AY 2020-21 be further suitably extended to say 31.03.2021 considering the fact that current extension of 10/15 days is not at all sufficient. Further, all the other due dates of compliances under Income-tax Act, 1961 (TDS/TCS/Section 11(1A)/54/54F/Advance tax payments etc.) be also suitably extended to say 31.03.2021 to enable assessee to meet such deadlines without incurring any other extra cost.

Also, the due date for 3rd quarter of FY 2020-21 is 15.01.2021 for TCS returns and 31.01.2021 for TDS returns which may also be extended to 31.03.2021.

We hope that our suggestions would be favourably considered. We would be happy to deliberate on the matter albeit virtually, if considered necessary by your good office.

With Warm Regards

CA. Tarun Jamnadas Ghia
Chairman, Direct Taxes Committee
The Institute of Chartered Accountants of India