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CASA/IT/20-21/06

Dated 15th December 2020

To

Smt. Nirmala Sitharaman
Hon. Finance Minister of India
Room No. – 134, North Block
New Delhi - 110001

Respected Ma'am,

Subject: Request for Extension of Due Dates for furnishing of Tax Audit Report, Transfer Pricing Audit Report & Income Tax Return for Assessment Year 2020-21

Chartered Accountants Social Affiliation (CASA) is a registered NGO, established in the year 2010 is working effortlessly and continuously for the benefits of the Professionals, Trade & Industry by way of imparting knowledgeable webinars by various experts in Industry. Today we have more than 3000 professionals & tax practitioners associated with us pan India. During this financial year starting from April 2020, CASA has successfully organised more than 200 webinars on various topics including that of various Audits under Income Tax Act, Income Tax Returns & many other technical topics under Direct Tax Laws.

We, at CASA believes in taking all the requisite steps and actions to ensure smooth & complete tax and other statutory compliances by the stakeholders. CASA always believes in helping professionals in resolving genuine grievances & effective implementation of law.

Today we are requesting your good selves to extend the Due Dates for furnishing of Tax Audit Report and Transfer Pricing Audit Report to 28th February, 2020 & Income Tax Return of Assessment Year 2020-21 to 31st March, 2021

Some of the main reasons for requesting to extend due dates are:-

1. COVID-19 Pandemic –

We appreciate the efforts of the Government for the manner in which this pandemic has been tackled & country is saved from community transmission phase of



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pandemic. We also appreciate the extension provided for Audit Report furnishing & income tax return filing of non audit cases upto 31st December, 2020

But this year whole world has witnessed & is currently witnessing nightmare of COVID-19 pandemic. Due to COVID-19 Pandemic, Govt. had imposed PAN India lockdown from 22nd March, 2020. Although country has been unlocked gradually but the severity & fear of this Corona Virus is not yet reduced. Presently country is passing through 6th phase of unlock but still there are many restrictions on free inter - state movement to a certain extent, time to time night curfew imposed in states like Punjab, Himachal Pradesh, Rajasthan, Gujarat, Madhya Pradesh has hampered intra state movement also.

Due to fear of getting infected, people are hesitant to travel & preferring work from home, many people who went to their native place during lockdown has not returned back to join their duties / offices due to non availability of hostels , mess facility near to their work place, covid fear. Due to this restriction of movement, several industries and private offices are still not able to resume functioning to their full capacity and are still struggling to function at a certain level of normalcy. This also includes the offices of the Chartered Accountants and Tax Practitioners.

Most of the offices are forced to operate with reduced number of staff due to corona related health issues. Access to client data is not available easily. The details required for completing audits and carrying on tax audit and filing the return of income are not being received promptly and thus completion of audit efficiently is taking more than twice the average time it usually takes for completion of any audit.

Further, data verification, analysis, audits etc requires more time and efforts by the professionals.

To conduct the audit efficiently & effectively, Auditor needs to travel to the place of auditee which is very difficult in this pandemic time and exposes them to the risk of contracting this deadly covid virus. Further, the senior citizens including senior professionals and senior assessee are advised to stay at home only. Several



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Chartered Accountants, Tax Practitioners and their staff have been infected and have not been able to work for a minimum of 14 days.

These limitations & restrictions are making it very difficult for the assessee, the Chartered Accountants and the Tax Practitioners to comply with the present extended due dates.

2. Recent Amendment in Tax Audit Report / Forms dated 01st October, 2020–

Recently CBDT [Central Board of Direct Taxes] has issued Notification No. 82/2020 dated 01-10-2020 notifying Income Tax (22nd Amendment) Rules, 2020 and making extensive amendments by introducing Form No. 10-IE [for exercise / withdrawal of option u/s 115BAC(5)(i)], Form No. 10-IF [for exercise of option u/s 115BAD(5)] and amendments relating to section 115BA, 115BAA, 115BAB.

The consequential amendments are made in Form No. 3CD [Statement of particulars to be furnished u/s 44AB of Income Tax Act], Form No. 3CEB [Report to be furnished U/s 92E relating to International Transaction(s) and Specified Domestic transaction(s)] and Form ITR-6. These changes are made operative in relation to the Reports / Statement / Form to be furnished for the Financial Year 2019-20.

3. Delay and / or Non Availability of E Filing Utility of Income Tax Returns and Amended Audit Report / Forms-

ITR Forms / TAR Form / Schema & Validation rules etc are expected to be provided in the month of April. But due to Covid-19 Pandemic, necessary utilities as required for furnishing the data in ITR Forms No. 3, 5, 6 & 7 which is also used by assessee who required to furnish the Tax Audit Report also, are made available in late August 2020 or September 2020 month. There are continuous utility updation are done by the IT Deptt.



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Following table shows release date as well as the latest updation date of various ITR Forms-

Income Tax Return Form	Schema Release Date	Schema Updation Date	Validation Rules (Latest update)	Utility Updation Date (Excel & Java)
ITR - 1	02/06/2020	22/09/2020	08/12/2020	01/12/2020
ITR - 2	26/06/2020	04/11/2020	10/12/2020	10/12/2020 & 01/12/2020
ITR - 3	31/07/2020	09/11/2020	31/07/2020	01/12/2020
ITR - 4	05/06/2020	15/10/2020	08/12/2020	01/12/2020
ITR - 5	25/08/2020	18/11/2020	25/08/2020	03/12/2020 & 10/12/2020
ITR - 6	22/09/2020	22/11/2020	06/10/2020	03/12/2020
ITR - 7	03/09/2020	08/12/2020	04/09/2020	08/12/2020

Further the Schema / Validation Rules for uploading Form No.3CD electronically were last updated on 25-08-2020. Utility for preparation & furnishing of amended Audit Reports was made available only on 04th November, 2020.

Due to frequent changes in schema or utility, third party services providers will have to upgrade their software which may take about 5 to 6 days to upgrade, depending upon nature of change.

All these amendments of new forms further require more time for the assessee and professionals to carry out the necessary changes for the proper compliance.

Due to pandemic, income tax returns forms were released with delay of almost 04 months & have constantly been updated after such delayed released. Although the utilities were released as on the above mentioned dates, more than 700 paged instructions for filing the return of income were released only on 23rd October, 2020



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and these instructions were further revised for better clarity on 22nd November, 2020 i.e. just a month before the due date of filing of income tax return. Professionals and assessee are not provided with enough time to even take a note of the important points.

When the dates were last extended, it was expected that there will be a reasonable resumption of services, however continuous surge in increased cases of COVID in recent past had somewhat resulted in slower unlock & resumption than the expected level. Also due to Farmers' Protest going on from past 19 days against the New Farm Bill, normal movement of people in Delhi NCR region specially the Delhi borders connecting with UP & Haryana, Punjab is adversely affected due to road closure, traffic diversion etc.

These are indeed unusual times and hence the earlier date of 31st December, 2020 which seemed reasonable at one time is now looking like an impossible.

In view of above genuine hardships & difficulties being faced by the Professionals as well as by the Trade and Industry person, we are requesting your goodselves to consider the above & extend the due dates of furnishing of Tax Audit Report U/s 44AB and Transfer Pricing Audit Report U/s 92E to 28th February, 2021 and Income Tax Return due date to 31st March, 2021 for all type of assessee.

We, alongwith entire fraternity of Audit Professionals and Tax Payers will be highly obliged & appreciate if a timely & prompt decision (well before the present extended date) is taken in this matter.

We look forward for your kind consideration to our genuine request.

Thanks and Regards

Yours sincerely

**For CASA,
Direct Tax Committee**

**Sd/-
CA Sumit Garg
Founder**

**Sd/-
CA Sachin Sinha**

**Sd/-
CA C M Jain**

**Sd/-
CA Asha Sharma**

Place: Delhi



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CC to:

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