



24<sup>th</sup> December, 2020 / 18366

To,  
Smt. Nirmala Sitharaman  
Hon'ble Union Minister of Finance,  
Ministry of Finance & Corporate Affairs  
Government of India,  
North Block,  
New Delhi – 110001

**Sub: Extension of due dates of Income tax returns, Tax audit reports and due dates under Direct Tax Vivad se Vishwas Act, 2020 ("VSVA")**

Respected Madam,

At the outset, we would like to place on record our sincere appreciation to your good office and the government for comprehensive and robust response to the raging COVID-19 pandemic. The colossal efforts made towards prevention and containing the spread, including strengthening surveillance, laboratory capacity, contact tracing and isolation and risk communications are really commendable. We are confident that slew of taxpayer friendly measures planned by the Government will address several intricate problems relating to taxation, synchronously fulfil its vision of having more transparency in the system with minimal interaction between tax payers and tax authorities.

**We are writing this letter to your good self to consider our requests to extend the due dates of Income tax returns, Tax audit reports and declaration and due dates under Direct Tax Vivad se Vishwas Act, 2020 due to the following reasons:**

• **COVID-19 Pandemic and its effects:**

We appreciate the extension provided for filing tax audit reports, income tax returns and filing declaration under VSVA to 31<sup>st</sup> December, 2020 and for making payments under the VSVA to 31<sup>st</sup> March, 2021.

But, while the country has been unlocked as a whole, several state governments have individually imposed various restrictions based on the spread and severity of COVID-19 in their respective states. The number of COVID-19 positive cases are on a rise across the country forcing many of the states to impose weekend lockdowns, night curfews, restrictions of public movement, disruption of transport systems incl. entry and exits in many states.

**Natubhai Patel**  
President

**Hemant N. Shah**  
Sr. Vice President

**K. I. Patel**  
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**Pathik S. Patwari**  
Hon. Secretary

**V. P. Vaishnav**  
Hon. Secretary (R)

**Sachin K. Patel**  
Hon. Treasurer





The offices are working with 50-60% capacity and they do not expect their workforce to resume work physically in near future, making it strenuous for them to do necessary accounting and finalisation work. COVID-19 has had a huge impact psychologically and it will take some time for people to leave behind the fear and anxiety caused due to this pandemic. Finalization of annual accounts and audit is not possible without consultation of professionals and auditors of the companies. ***Due to COVID-19, even the professionals and auditors are facing the issue of insufficient staff / staff working from home without data / staff quarantined in containment zones etc. making it extremely difficult to perform the required audit procedures and complete the audit in time.*** Restriction on travelling and number of people working also impacts an auditor's ability to complete the audit on time. The extension would provide enough time for the Auditors to complete audit timely and in most appropriate manner. All such issues are making it virtually impossible for most of professionals, auditors and the taxpayers to adhere to the revised due dates of 31.12.2020. Many of Chartered Accountants in practice are senior citizens for whom it is inadvisable to move out, for they are found more susceptible to the pandemic.

Hence it is humbly requested that the due date of filing return of income u/s 139(1) of the Income Tax Act, 1961 for all the taxpayers be suitably extended to **31<sup>st</sup> March 2021**, from the current extended due date of 31<sup>st</sup> December, 2020 for AY 2020-21. Simultaneously, the 'specified date' for filing tax audit reports be extended **from 31<sup>st</sup> December, 2020 to 28<sup>th</sup> February, 2021** for AY 2020-21.

Due to the COVID-19 pandemic and nationwide lockdown, there is a direct negative impact on demand and supply of goods and services and businesses are also **facing serious cash flow issues** as the economic activities have come to a halt. This in turn is having an impact on all payments including to those for employees, interest, loan repayments and taxes. There are less chances of receiving payments from the outstanding receivables as this pandemic has created cash flow mismatches for all concerned. Moreover, the businesses are facing severe supply chain disruptions and expect the situation to worsen further till the time the things get normalized.

VSVA is an excellent opportunity for the tax payers to settle the disputed direct tax matters under the Scheme. But due to the current environment, it would be prudent to provide more time to the taxpayers to settle disputes and extend the last date for filing declarations under this scheme **from 31<sup>st</sup> December, 2020 to 31<sup>st</sup> March 2021** and last date of payment without additional amount **from 31<sup>st</sup> March, 2021 to 30<sup>th</sup> June, 2021**. This will give more time to taxpayers to take the true benefit of the scheme and

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also make payments post the liquidity concerns subside.

- **Delay in release of utilities and instructions:**

Usually, the income tax returns must be released in the month of April but due to the pandemic, the release of the returns have been delayed on an average by 3 months. Additionally, even after release, they have been constantly updated. CBDT has made changes in Form No. 3CD vide Notification No. 82/2020 dated 1<sup>st</sup> October, 2020 which necessitates revision of utility and accordingly requires re-working of depreciation and other linked losses due to adoption of alternative methods of tax scheme, which requires certification thereby increasing the compliance burden of the taxpayers concerned.

The utilities for the income tax return were made available only June'20 onwards instead of April'20.

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Sr. No.	Income Tax Return	Schema Release Date	Schema Updation Date	Utility Updation Date
1.	ITR-1	2 <sup>nd</sup> June, 2020	9 <sup>th</sup> September, 2020	1 <sup>st</sup> December, 2020
2.	ITR-2	26 <sup>th</sup> June, 2020	4 <sup>th</sup> November, 2020	3 <sup>rd</sup> December, 2020
3.	ITR-3	31 <sup>st</sup> July, 2020	9 <sup>th</sup> November, 2020	1 <sup>st</sup> December, 2020
4.	ITR-4	5 <sup>th</sup> June, 2020	15 <sup>th</sup> October, 2020	1 <sup>st</sup> December, 2020
5.	ITR-5	25 <sup>th</sup> August, 2020	18 <sup>th</sup> November, 2020	3 <sup>rd</sup> December, 2020
6.	ITR-6	22 <sup>nd</sup> September, 2020	22 <sup>nd</sup> November, 2020	3 <sup>rd</sup> December, 2020
7.	ITR-7	3 <sup>rd</sup> September, 2020	8 <sup>th</sup> December, 2020	8 <sup>th</sup> December, 2020
8.	Form 3CA-3CD	-	4 <sup>th</sup> November, 2020	-
9.	Form 3CB-CD	-	4 <sup>th</sup> November, 2020	-
10.	Form 3CEB	-	4 <sup>th</sup> November, 2020	-



Further 700 plus paged instructions for filing the return of income were released only on 23<sup>rd</sup> October, 2020. These instructions were further revised on 25<sup>th</sup> November, 2020 i.e. just a month before the due date of filing of income tax return, not giving the professionals and taxpayers enough time to even take a note of the most important points.

In an ordinary scenario, delaying compliances, is considered to be an ominous sign for a business' health. But these are exceptional circumstances and even the second predicted phase of COVID-19 wave resulted in slow resumption of activities. Hence the earlier date of December end which seemed reasonable at one time is now looking extremely difficult.

We all are facing this unprecedented situation and we require your co-operation and patient hearing to our concerns. We would be very grateful if your good self would take an early action in this regard and have a positive consideration of our requests. This will be very useful for the taxation fraternity and also for the trade and industry. In conclusion, we request that a suitable orders / clarification may be issued to this effect at the earliest.

With warm regards,

  
**Natubhai Patel**  
President

  
**Jainik Vakil**  
Chairman, Direct Tax Committee

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