



Pathik S. Patwari

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Sr. Vice President

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8th July, 2022 / 2773)

To,

The Hon'ble Chairman,
Central Board of Direct Taxes,
Ministry of Finance,
Government of India,
North Block,
New Delhi – 110001

Sub: Extension of due dates of Income tax returns for salaried and non-corporate (not subject to audit) taxpayers from 31.07.2022 to 31.08.2022

Respected Sir,

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 and the subsequent actions taken to boost the economy. Due to the colossal efforts made towards prevention and containing the spread, including strengthening surveillance, laboratory capacity, contact tracing and isolation and risk communications by the Government of India, COVID-19 cases have dropped significantly and the country has started to open up. We appreciate the work that has been done for the improvement of the new income tax portal which now is working way better and we applaud the continuous efforts taken by the department to solve the grievances relating to the portal. 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 for salaried and non-corporate (not subject to audit) taxpayers from 31.07.2022 to 31.08.2022 due to the following reasons:

- Due date for filing TDS returns for the Q4 (2021-22) was 31.05.2022. Post filing the TDS returns for salaried and non-salaried persons, TDS Certificates are required to be issued within 15 days, i.e. by 15.06.2022. On receipt of the TDS certificates, the tax payers' reconcile the same with their books of accounts and then inform the TDS deductors of changes, in any. The deductors would then have to file the revised TDS returns and give the deductees, the corrected TDS certificates. Once the TDS / TCS credit is properly reflected in the Form 26AS of the tax payers, the accountants can proceed with finalization of accounts / determination of final tax liability. The issuance of TDS certificates by 15.06.2022, leaves a very less time on hand for the tax payers to



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reconcile and finalise the income vis-à-vis the tax deducted thereon. The tax payers also have to reconcile the information shown in Annual Information Statement. Hence, they need proper time to collect the correct information so that their returns are filed accurately.

- The month of July is particularly a very busy month for the professionals & accountants. In this month, post TDS / TCS challans and monthly & quarterly GST filings, TCS / TDS quarterly return filings are also to be done. There are various new amendments related to TDS (like section 194R and 194S which are applicable from 01.07.2022), which requires time to understand and implement. TDS / TCS Sections like 194Q & 206C(1H) have increased the work of accountants wherein they have to reconcile each transaction and make sure correct TDS/ TCS is deducted / collected. This year, post amendment to the Schedule III of the Companies Act, 2013, plethora of new disclosure requirements have been added to the financial statements. Both the auditors & accountants are working extremely hard to comply with the new requirements. Moreover, due to the new disclosure requirements of the Companies Auditor's Report Order (CARO), 2020 which has been made applicable for the financial year 2021-22, the auditors / professionals are revisiting their audit procedures to comply with the CARO 2020 requirements. The Accounting Standards Board of ICAI has issued Technical Guide on Financial Statements of Non-Corporate entities which will lead to uniformity of presentation of accounts of non-corporate tax payers also. The Non-Corporate entities are in the process of adopting the recommendatory financials and this will usher in easy comparability and detailed disclosures for non-corporate entities also. This process also requires time and most of the MSME tax payers which are non-corporates, would want to comply with the recommended guidelines from the financial year 2021-22.
- While the country has been unlocked as a whole, the scare of COVID -19 still prevails. The businesses are still struggling to get back to their normal capacities. We are experiencing increase in no. of cases in several parts of the country, which has slowed down the recovery process of the businesses in those regions. **As on 08.07.2022, India reported 18,815 new Covid-19 cases with 38 deaths in past 24 hours. The total number of active cases in the country now stands at 1,22,335.** The offices are still not working at their 100% capacities as COVID-19 cases are still on a rise in parts of country 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. There is still a negative impact on demand and supply of goods and services and businesses are also

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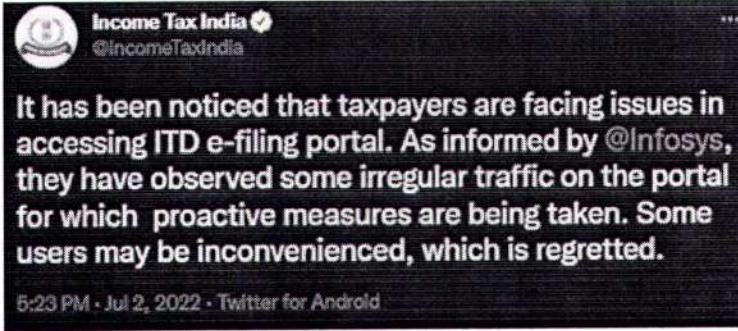
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facing serious cash flow issues as the economic activities have still not been able to run at the normal capacities.

- Though lot of the issues of the new income tax portal have been solved, there are still various issues in the portal which we expect to be resolved in the coming weeks. Due to heavy load on last days of filing which also coincides with the due date of filing TDS / TCS returns for Q1 2022-23, the portal might not work to optimum capacity resulting into dissatisfaction amongst the tax payers. **Further, common offline utility for filing Income-tax Returns ITR 1, ITR 2, ITR 3 and ITR 4 for the AY 2022-23 was released on 01.07.2022.**

Following is the extract of the tweet of Income Tax Department which was sent on 02.07.2022



More recently, the portal faced snags on the first anniversary of its launch and many users complained that they were unable to login in into the portal, while some complained malfunctioning of the search functionality. We have enclosed below the various problems pertaining to the portal:

- Website login takes lot of time to access.
- Issues in downloading Form No. 26AS, AIS TIS.
- IT softwares are not supported and facing problem while switching to website.
- System is over all very slow, consuming substantial manhours and causing mental agony.
- TDS and TCS as per Form No. 26AS is not getting reflected in prefilled ITR.
- Till the date ITR5 are not being updated.
- Even if login to portal for filling it is showing only ITR
- Aadhar OTP are not getting generated.
- Form Nos. 15CA, 15CB also has link issues. and so on.

While we expect the department to fix the issues at the earliest, it is suggested to extend the deadline to submit returns so that there is no anxiety amongst the tax payers.



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In an ordinary scenario, delaying compliances, is considered to be an ominous sign for a business' health. But these are exceptional circumstances and hence, we humbly request your good self to extend the due date of filing return of income u/s 139(1) of the Income Tax Act, 1961 for all the salaried and non-corporate taxpayers (not subject to audit) from 31.07.2022 to 31.08.2022.

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,

Pathik Patwari
President

Jainik Vakil
Executive Committee Member

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