

Ref: CAAS/Representations/2021-22/02

Date: 29/04/2021

To,
The Finance Minister,
134, North Block,
New Delhi - 110011

Sub: Granting of Breathing Space for Compliance by Stakeholders

Respected Madam,

We are highly disappointed to note the wordings of the press release issued on 24th April 2021 by Department of Revenue, Ministry Of Finance, Central Board Of Direct Taxes in which tax payers and tax consultants are used as shield for the benefit of other stakeholders, stating "that in the view of severe COVID-19 Pandemic ranging unabated across the country affecting the lives of our people, and in view of the requests received from the taxpayers, tax consultants and other stake holders". We hope none of the stakeholders would ever have a wisdom to represent to extend due dates for re-opening of income tax assessments during this pandemic, and hence it is highly questionable that any of the stakeholders taxpayers or tax consultants may have ever requested to your Ministry or Board for extension of time limit for issuing notices u/s 148.

The approach of your Ministry, CBDT and CBIC have always been partial during pandemic. The extension is always granted to department to take action against tax payers while tax payers are not allowed extension and they have to bear heavy burden of interest, late fees and penalties during pandemic.

In the last year, the lockdown in the country was announced in view of the Pandemic, from 24 March, 2020. Merely, 7 days [including 3 Government Holidays (Gudi Padwa, Saturday and Sunday)] was the time lost by income-tax department to issue time barring notice u/s 148 for A.Y. 2013-2014 under Income-tax Act as per relevant provisions of section 149. For loss of 4

working days, the department was granted period of 15 months to issue notice u/s 148. The notice u/s 148 is required to be issued after recording of reasons on due application of mind and after obtaining sanction from competent authority. So at least in most of the time barring cases of issue of notice, the process should have been completed well before 24th March, 2020. So action of government in extending period to issue notice u/s 148 from time to time in name of pandemic is really unfair. On the other hand, the request for extension by tax payers was rejected vide the order issued by CBDT u/s 119 on 12/01/2021.

It is obliviousness on the part of the Ministry Of Finance & Government Of India that they are noticing effect COVID-19 pandemic on the lives of people only under Direct Taxes and taking shelter of request and representation from taxpayers, tax consultants for extension of due dates for various matters (as mentioned in the press release), which none had actually made, which is for department's unilateral benefits only and more particularly when all the assessment process has been made faceless through specific and dedicated personnel, and all the notices related to assessments are being issued only based on the merits and through computer aided scrutiny selection process. Hence there was no need of any extension of the due dates for issue of notices and pass assessment orders which is only beneficial to the Income Tax Department. Had the real representations been truly considered in a right spirit, then our representations as follows would never had been part of the North Block's dustbin:

Date	Representation Subject	Topics Covered
06/01/2021	Resentment towards Approach of FMO on Direct- Indirect Taxes & Corporate Affairs	Income Tax, GST, Corporate Affairs
26/01/2021	Dissent over Actions and Approach of FMO, MCA and Others	Income Tax, GST, Corporate Affairs
01/04/2021	Timely release of Utilities and Stopping of Panic Messaging	Income Tax

Let us draw your kind attention towards darker part of your obliviousness. It is related to the matters of indirect taxation. While the wrath of Pandemic has created havoc, and Stakeholders

are busy searching for ICU beds, oxygen, ventilators, injections and medicines for themselves or their kith and kin, they are being reminded to file GST Return on time. As on the date of writing this letter there is no extension or relaxation granted to the taxpayers. Has the Ministry become a White Elephant, which cannot move swiftly to the changing scenarios? Further, there is a large pendency in processing of GST refunds as a result of which taxpayers are facing financial crunches.

So, we demand that the due dates for filing all returns under TDS/TCS, GST, and MCA should be extended. Even if the government is not in position to waive the interest for late payment of GST, TDS, advance-tax etc, under no circumstances the late fees should be collected till the time when pandemic goes and economy is revived. The immediate order to this effect may be passed ASAP.

Needless to point out that COVID-19 has disrupted the world in all the manner be it finance, be it culture, be it a human resources or anything else, each and every one is helpless including the Government. If help cannot be done, people's life should not be made miserable. We would like to recall you the words of wisdom by the great Tamil Poet Thirukkural –

பினியன்மாய் செல்வம் விலைவின்பம் எமாம்
அனியன்பா நாட்டிவ் வைந்து

“Piniyinmai Selvam Vilaivinpam Emam Aniyenpa Naattiv Vaindhu”

Which means a country's five jewels are unfailing health, fertility, joy, security and wealth. Approach of the ruler towards the people of their country during the tough times should be liberal enough to help lift the people up from difficult situation instead of being selfish, collecting interest, late fees and penalties. In last financial year, the enormous undue late fees have been collected by revenue under Income-tax, GST and Company Law. Even when the extension was allowed in last year, the tax payers were liable to pay interest for late filing of returns. It is to be

President
CA. Rasesh Shah
+91 98241 29572

Vice-President
CA. Hardik Kakadiya
+91 99250 04220

Secretary
CA. Lalit Hirpara
+91 99794 38050

Treasurer
CA. Pratik Radadiya
+91 99099 91730

noted that service rendered by Chartered Accountants, Advocates and Tax Consultants are not classified as essential services during pandemic. So it is highly impossible to comply various due date during this wave of pandemic.

It is not out of place to quote observation of Supreme Court in latest decision in Misc. Application No. 665/2021 case where it was observed that:

“We also take judicial notice of the fact that the steep rise in COVID-19 Virus cases is not limited to Delhi alone but it has engulfed the entire nation. The extraordinary situation caused by the sudden and second outburst of COVID-19 Virus, thus, requires extraordinary measures to minimize the hardship of litigant–public in all the states. We, therefore, restore the order dated 23rd March, 2020 and in continuation of the order dated 8th March, 2021 direct that the period(s) of limitation, as prescribed under any general or special laws in respect of all judicial or quasi-judicial proceedings, whether condonable or not, shall stand extended till further orders. It is further clarified that the period from 14th March, 2021 till further orders shall also stand excluded in computing the periods prescribed under Sections 23 (4) and 29A of the Arbitration and Conciliation Act, 1996, Section 12A of the Commercial Courts Act, 2015 and provisos (b) and (c) of Section 138 of the Negotiable Instruments Act, 1881 and any other laws, which prescribe period(s) of limitation for instituting proceedings, outer limits (within which the court or tribunal can condone delay) and termination of proceedings.”

We are aware that indirect taxes are the regular source of income to the Central as well as State Governments but as discussed above it is equally important that there shall be fair treatment with the taxpayers and people of the country, and they shall be allowed enough time for compliances under various tax laws. Each year the Stakeholders come up with due date extension requests, just because the statutorily fixed timelines are not at all feasible and acceptable. Kindly refer to our letter dt.06/01/2021, which clearly identifies how short time is given for inhumanly

President
CA. Rasesh Shah
+91 98241 29572

Vice-President
CA. Hardik Kakadiya
+91 99250 04220

Secretary
CA. Lalit Hirpara
+91 99794 38050

Treasurer
CA. Pratik Radadiya
+91 99099 91730

accurate compliances, which otherwise entail heavy penalties and late fees. Our representation is to listen to our earlier representation and after consultation, extend due dates for compliances under Income Tax, GST and MCA on a permanent basis. Also, specific to COVID19 Second Wave of 2021, adequate time is required by the stakeholders to cope up with the harshness of nature. Hence, a special onetime compliance window needs to be declared in advance, to relieve stakeholders from their anxiety. The following demands needs to be resolved on priority basis:

1. Special Onetime compliance window for all Taxation and Allied Laws, specifically for COVID19 Second Wave of 2021;
2. Sufficient Compliance window in regular times other than (1) above on permanent basis;
3. Adherence to Citizen's Charter;
4. Timely redressal of grievances reported through various representations;
5. Revival of Amnesty Scheme under MCA and declaring new amnesty scheme under GST;
6. Timely release of Income Tax Utilities; and
7. All other matters of represented in our representation letters dt. [06/01/2021](#), [26/01/2021](#) and [01/04/2021](#).

We would like to draw your attention to the above order and demand issuing an order in line with the above order of Supreme Court extending the due date under various laws. We hope, our representations would be heard, since it is our right and not your privilege.

Thanks & Regards,

For Chartered Accountants Association, Surat.

Rasesh *Lalit*

President | Secretary

Copy to: -

(1) **Prime Minister,**

152, South Block, Raisina Hills, New Delhi - 110011

- for information and appropriate action