

President CA Sanjay Visanji Chheda  
Vice President CA Jigar Ratilal Gogri  
Secretary CA Rahul Talakshi Nagda  
Jt. Secretary CA Ameet Mahendra Chheda  
Treasurer CA Jeenal Kenil Savla



Established 1973

**CVO Chartered & Cost Accountants' Association**

17<sup>th</sup> September, 2019

To  
**Chairman**  
**Central Board of Direct Taxes**  
**Ministry of Finance,**  
North Block, Parliament Street  
New Delhi – 110001  
Email – chairmancbdt@nic.in

Respected Sir,

**Sub : Representation for extension of due date for filing Income Tax Returns and Tax Audit Reports for Assessment Year 2019 - 2020 due on 30<sup>th</sup> September, 2019**

**ABOUT C.V.O. CHARTERED & COST ACCOUNTANTS' ASSOCIATION**

C.V.O. Chartered and Cost Accountants' Association is four decade old, non-profit professional organization established in 1973. It has acclaimed a premier position in society. Its objective is to disseminate knowledge in the field of Taxation, Accounting, Finance and allied laws. It has membership strength of more than 1600 members. Members of the Association have acclaimed respectable position in the CA practice and industry where they serve. It also organizes general public awareness program. One of the flagship programs is on Union Budget, which is organized in Gujarati Language for general public. The Association also publishes monthly Newsletter which is called 'CVO CA News & Views'. Besides these activities Association also supports students who are pursuing CA, CS & CWA by providing them financial assistance in the form of scholarships and interest free loans.

Association sincerely appreciates the efforts of the Government in making the procedures under Income Tax assessee friendly. The Government has always been co-operative and responsive to the problems faced by the assesseees once brought to their attention. We also appreciate and remarkably note that there has been no crashing of the income tax e-filing website due to heavy load on the last day of non-audit cases return filing on 31<sup>st</sup> August, 2019.

**ISSUES RELATING TO TAX AUDIT AND FILING ITR FOR ASSESSMENT YEAR 2019-20**

We take this opportunity to bring to your notice the severe hardship caused to tax payers, Chartered Accountants and tax practitioners in the country. Unfortunately, over the past many years, we have seen the ITR forms being changed every year. This is most unfortunate and undesirable. The constant tinkering with the forms necessitates changes in the software on the e-filing portal. This in turn leads to delays in making available the government utility



304, Jasmine Apartment, Dada Saheb Phalke Road, Dadar (East) - Mumbai 400 014

☎ - 0222410 5987. ✉ - [info@cvoa.org](mailto:info@cvoa.org). [www.cvoa.org](http://www.cvoa.org)

President CA Sanjay Visanji Chheda  
Vice President CA Jigar Ratilal Gogri  
Secretary CA Rahul Talakshi Nagda  
Jt. Secretary CA Ameet Mahendra Chheda  
Treasurer CA Jeenal Kenil Savla



Established 1973

CVO Chartered & Cost Accountants' Association

to tax payers. With almost all tax payers now having to mandatorily file their returns online, there is no option but to wait till the ITR forms and the utility are made available on the e-filing website. Year after year, we have witnessed delays in this matter on the part of the CBDT.

Our intention is not to blame anyone or point fingers. However, the pain that is now being faced by tax payers is beyond tolerance levels and therefore we are constrained to write this letter to you.

We would like to state the following points which necessitate the extension of filing income tax returns and tax audits which is due on 30<sup>th</sup> September, 2019

**1. Delay in making available the ITR utilities:**

ITR	Release Date of the Version of Utility	Delay in days	Total available days for filing returns (Assuming 30th Sept due date)	No of days left	% days delayed
ITR 3	May 10, 2019	39	182	143	21.43%
ITR 5	May 28, 2019	57	182	125	31.32%
ITR 6	July 08, 2019	98	182	84	53.85%
ITR 7	June 04, 2019	64	182	118	35.16%

The utilities for filing ITR (along with tax audit report) should have been made available by 1<sup>st</sup> April 2019. The above utilities were made available much later than 1<sup>st</sup> April 2019.

In spite of condemnation by the Courts at various instances in past, the Department has time and again delayed in making available the ITR utilities. The versions of ITR utilities have been frequently updated as late as 12<sup>th</sup> September 2019. Such updates have hampered the process of preparing/ re-preparing and filing the ITR by tax payers. Further, it is known fact that almost 50% Returns are filed through Third Party Utility, which take almost 2 to 3 days to amend their software, check, test and finally release their utility after any change in Income Tax Form.

However, presently the issue is not of extension of time limit, but rather allowing the biggest stakeholders i.e. the Chartered Accountants to complete the reporting work on time. Chartered Accountants should be provided with the most necessary document i.e. Tax Audit Report for relevant assessment year on time, since the Audit Planning and part execution starts in the financial year itself. CAs, if provided with forms on timely manner, can complete the audits comfortably and in a proper manner.



04, Jasmine Apartment, Dada Saheb Phalke Road, Dadar (East) - Mumbai 400 014

☎ - 0222410 5987. ✉ - [info@cvo.org](mailto:info@cvo.org). [www.cvo.org](http://www.cvo.org)



**2. Effect of Extension of due date from 31<sup>st</sup> July 2019 to 31<sup>st</sup> August 2019:**

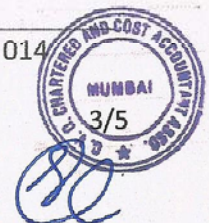
Due to such delays and updates in ITR utilities, there was an extension for returns which were due on 31<sup>st</sup> July 2019 by one month. Thus, two months which Chartered Accountants get for carrying out Audit and Tax Audit is reduced to one month because whole of the August 2019 month was used for finishing spill over work of returns originally due till 31<sup>st</sup> July. To understand the impact of the same following is the data of return filing which is provided by your department on the website

Form Type	April to July 2018	April to July 2019	Lesser Returns filed as compared to LY
ITR-1	2,63,90,563	2,18,81,566	(45,08,997)
ITR-2 or ITR 2A	37,40,600	26,16,409	(11,24,191)
ITR-3 (Till AY 2016-17) ITR 3 (from AY 2017-18) ITR 4 (Till AY 2016-17)	56,64,876	38,02,738	(18,62,138)
ITR-4S (Till AY 2016-17) ITR 4 (from AY 2017-18)	77,80,146	73,65,584	(4,14,562)
ITR-5	3,76,119	2,48,689	(1,27,430)
ITR-6	1,22,586	81,295	(41,291)
ITR-7	62,010	32,830	(29,180)
<b>Total</b>	<b>4,41,36,900</b>	<b>3,60,29,111</b>	<b>(81,07,789)</b>

As apparent from aforesaid table, the shortfall in filing ITR 1, 2, 3 and 4 had its impact in returns filed during August 2019. Comparison of Returns filed during August 2019 v/s August 2018 is given as under:

Form Type	Returns filed in August 2018	Returns filed in August 2019
ITR-1	29,97,159	91,18,970
ITR-2 or ITR 2A	5,81,954	19,31,286
ITR-3 (Till AY 2016-17) ITR 3 (from AY 2017-18) ITR 4 (Till AY 2016-17)	23,76,153	35,67,714
ITR-4S (Till AY 2016-17) ITR 4 (from AY 2017-18)	38,95,566	55,22,050
ITR-5	2,36,069	3,34,946
ITR-6	#	#
ITR-7	18,821	32,442
<b>Total</b>	<b>1,01,05,722</b>	<b>2,05,07,408</b>

# - Accurate data not available



President	CA Sanjay Visanji Chheda
Vice President	CA Jigar Ratilal Gogri
Secretary	CA Rahul Talakshi Nagda
Jt. Secretary	CA Ameet Mahendra Chheda
Treasurer	CA Jeenal Kenil Savla



Established 1973

**CVO Chartered & Cost Accountants' Association**

One can easily interpret from the aforesaid table that two months' time, which a Chartered Accountant gets for carrying out Audit and Tax Audit was reduced to one month this time.

**3. Additional detailed information required in ITRs:**

Many new/ additional details are required to be given in the ITRs of Assessment Year 2019-20. Particularly in ITR-6, many new details need to be collated and compiled which are not readily available with the assessee.

**4. Reconciliation of GST data in Tax Audit:**

The finalisation of statutory and tax audit also includes compilation and reconciliation of GST data. Many errors were made in financial year 2017-18 by the dealers and the same were/are to be rectified in either financial year 2017-18 or financial year 2018-19 which is now under audit. Reconciliation of the turnover, GST paid, ITC availed/ utilised etc. with GST returns is long and time consuming process.

**5. Loss of Man Days due to Rain and Other disruptions:**

Since beginning of monsoon, country has lost lot of productive man days due to fury of rain and incidental issues of flood, train stoppage, etc. Maharashtra, which is accounting for almost 15% of country's registered Assessee, was no exception to this natural fury. Country's commercial capital, Mumbai too had come to standstill on many of these days during this monsoon fury.

**These are some of the major and important issues which have been highlighted for your kind attention. There are several minor or other issues, which for the sake of brevity, have not been incorporated here. As can be seen from above, there are several such intricate issues, which has made the return filing process a nightmare for tax payers and tax professionals.**

**SUGGESTIONS:**

We sincerely hope that you will understand and consider the complications faced by assesseees at large because of the last minute and unorganized changes made to ITR forms. The process can be much simpler if all the return forms along with their utilities are issued well in advance and the new changes are conclusively clarified for the uniformity of its application by return filers.

Also, Auditors have to plan their audit (including training of staff, preparation of audit plan and program) before execution of the audit. The Audit plan for AY 2019-20 starts well before in AY 2018-19. For an effective audit, even the auditees are required to be intimated for submission of data which are further compiled in the Tax Audit report. However, due to implementation of revised format at the middle of the year, efficacy of audit is reduced,

304, Jasmine Apartment, Dada Saheb Phalke Road, Dadar (East) - Mumbai 400 014

☎ - 0222410 5987. 📧 - [info@cvoca.org](mailto:info@cvoca.org). [www.cvoca.org](http://www.cvoca.org)



President CA Sanjay Visanji Chheda  
Vice President CA Jigar Ratilal Gogri  
Secretary CA Rahul Talakshi Nagda  
Jt. Secretary CA Ameet Mahendra Chheda  
Treasurer CA Jeenal Kenil Savla



Established 1973

**CVO Chartered & Cost Accountants' Association**

chances of incorrect information being compiled in the tax audit report is increased, liability of the auditors increase on account of the above.

Thus, we earnestly request you that if reporting is to be done as correctly as possible, reasonably more time will certainly be required and thus kindly extend the due date appropriately for which all stake holders would be obliged. Also, an early announcement to that effect would be of immense help to all involved in this process.

In view of the above reasons, we request your good office to provide an extension for a month for filing Income Tax Returns and Tax Audit Reports by the assesseees for whom the due date otherwise is 30<sup>th</sup> September, 2019

Thanking you,

Yours sincerely,

CA Sanjay Visanji Chheda  
President



CA Himanshu Talakshi Chheda  
Chairman

**CVO Chartered & Cost Accountant Association** **Publication & Representation Committee**

CC To

- Ms. Nirmala Sitharaman**  
**Honourable Finance Minister**  
Ministry of Finance,  
North Block, Parliament Street,  
New Delhi – 110 001
- Honourable Revenue Secretary**  
Ministry of Finance  
128A, North Block, Secretariat  
New Delhi – 110 001  
Email – rsecy@nic.in