

6th July, 2021

To,
Shri Jagannath Bidyadhar Mohapatra,
Honourable Chairman,
Central Board of Direct Taxes,
New Delhi.

Respected Sir,

Sub: Request to kindly extend time limit to complete Transfer pricing assessment proceedings for AY 2018-19

The Chamber of Tax Consultants (CTC), Mumbai, was established in 1926. CTC is one of the oldest (94 years old) voluntary non-profit making organizations in Mumbai formed with the object of educating and updating its members on Tax and other laws. It has robust membership strength of about 4000 professionals comprising of Advocates, Chartered Accountants and Tax Practitioners. It has from time to time made various representations to different Government Authorities drawing their attention to pressing issues.

We thank you for taking proactive steps and continue to ease the taxpayers in this pandemic situation. We write this letter to place our humble request that maybe considered by your Honour for removal of difficulties faced by the taxpayers.

Sir, it has been noticed that many Taxpayers have been receiving notices from the Learned Transfer Pricing Officer (TPO) asking to file details/submissions for Assessment year 2018-19 within a short time, as according to the TPO, 31 July 2021 is the last date for completion of pending TP assessments.

In this connection we would like to bring to your notice that as per section 153(4) of the Income Tax Act, 1961 (ITA), where a reference under section 92CA(1) been made to the TPO, the due date mentioned under section 153 of the ITA shall be extended by a further 12 months. Since the time limit for completion of assessment proceedings as per section

153(1) of the ITA for AY 2018-19 has already been extended to 30 September 2021 vide Notification No. 74/2021/ F. No. 370142/35/2020-TPL dt. 25 June 2021, the revised limit for passing such orders in a case where reference is made to the TPO under section 92CA(1) of the ITA for AY 2018-19 would be 30 September 2022. Accordingly, while the TPO can complete the assessment earlier, the last date for completion of pending TP assessments for AY 2018-19 would be 31 July 2022.

However, there is some confusion at the assessment level, wherein many TPOs believe that the last date to pass assessment order is yet 30 September 2021 only hence last date to pass TP order is 31 July 2021. Recent Office Memorandum dt. 28 June 2021 has added fuel to such confusion. As per the Memorandum CBDT does not have power to amend section 153, but only apply to extension of dates. Copy of the same is enclosed for your ready reference.

Even if the view as described in Office Memorandum is considered correct, we request that the last date to pass assessment orders in cases where TP applies can be and may be extended from 31 September 2021 to atleast 31 December 2021, so that sufficient time is available to the Taxpayers and the Tax officers to pass judicious orders. Extending the last date would not tantamount to amending section 153 and hence would be valid and proper in law. By doing so the concerns raised in the Office memorandum would also be addressed.

We humbly pray to your Honour's to kindly consider the afore-mentioned suggestions.

Thanking you,

Sincerely,

For **The Chamber of Tax Consultants**

Sd/-

Shri Ketan Vajani
President

Sd/-

Shri Mahendra Sanghvi
Chairman
Law and Representation Committee