



Since 1957

# KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION (R.)



*Together We Serve  
Together We Grow*

CA. RAGHAVENDRA SHETTY  
President

CA. JIGAJINNI KUMAR S.  
Secretary

To,

Date: 25<sup>th</sup> October 2018

Shri. Arun Jaitleyji  
Hon. Union Minister of Finance and  
Corporate Affairs  
Government of India  
North Block  
New Delhi - 110001

Hon'ble Sir,

## **SUBJECT: REPRESENTATION ON EXTENSION OF DUE DATE FOR ROC FORM AOC4 AND MGT7**

The Karnataka State Chartered Accountants Association (R) (in short '**KSCAA**') is an association of Chartered Accountants, registered under the Karnataka Societies Registration Act, in the year 1957. KSCAA is primarily formed for the welfare of Chartered Accountants and represents before various regulatory authorities to resolve the professional problems faced by chartered accountants and business community.

We have written to your good selves many a times populating issues and possible solutions. Herein, we are presenting before your good selves the difficulties and hardship faced by the trade, consultants and companies at large due to incessant changes in due dates for filing Income Tax returns, GST reconciliations, delay in finalization of accounts by the company management, festive season etc.

There is sufficient cause and need for the extension of filing of Annual Forms AOC-4 and MGT7 for a reasonable period of time to give justice to the correctness of returns. The reasons for the request is as outlined below:

- GST has been blockbuster reform of the Government, which introduction has taken a decade to reach a logical end. Naturally this introduction had its fair share of issues on trade and companies due to lack of infrastructure capacity of GSTN and various issues, which required incessant changes of forms, dilution etc. Since it was unable to introduce in lucid form, it has tumultuous impact on reconciliation of accounts for corporates and other bodies. This has continuously percolated and intruded into time required for other compliances and has played havoc to say the least.



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- Income Tax returns filing due date for individuals, corporates were regularly extended due to factors like reconciliation, infrastructure strength, delay in schema from department, frequent changes to reporting, last minute introductions even against the spirit of judicial pronouncements to make schema ready before the beginning of the pertinent year, GST figures to be mentioned in returns etc. and inconsistency possibility between income tax and GST returns for corporates due to supra matters. The preponed due date for filing income tax returns and introduction of late fees mandatory beyond the normal interest not helping the cause either.
- GST Annual Returns and audit are expected to be completed before Dec 31<sup>st</sup> 2018 and October 20<sup>th</sup> being the legitimate date for filing of lost/ unclaimed Input Tax Credit, and inconsistencies calling for attention of company's management and consultants as well leaving both fraternity high and dry to attend to other statutory timelines under other enactments.
- The festive season being delayed by a month due to adhika masa also has played a fair share of delay for preparation of accounts for audit on the part of corporates to attend to supra matters thereby having impact on accounts finalization.
- Unless proper reconciliation is effected, it could be a matter for extended litigation later on to the unreconciled and qualified reports if proceeded as it were. The reconciliation element possibly arises partly due to the niggling issues in GST and loose ends therein pursuant to delayed correction submission from suppliers of goods and services for genuine reasons, onslaught of financial difficulties having cumulative bearing on compliances.
- The additional fee of Rs.100/- per day for delay in filing of annual returns under Section 92 and 137 of the Act has been introduced for the first time with effect from 1<sup>st</sup> July 2018. This may cause lot of hindrance for complying with the due dates in view of the above mentioned issues.
- The matters above are acting in concert and playing havoc on the routine compliances. The ground realities can be felt from the communications received by the professionals from the company managements and other stakeholders and the same being sought for redressal through your august office.

We hereby appeal your good selves to consider the supra issues faced by the corporates and consultants and provide a reasonable extension for filing of annual forms AOC4 and MGT7.

***This write-up is on the back of representation received from trade bodies and practitioners who are in the thick of things and their request for seeking redressal to issues faced.***



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***We would be highly thankful if you could extend the due date well in advance, which would be very useful in planning the filings for the corporates and practitioners meaningfully.***

Thanking you,

Yours sincerely,

For **Karnataka State Chartered Accountants Association ®**

CA. Raghavendra Shetty  
President

CA. Kumar Jigajinni  
Secretary

CA. Niranjana Prabhu  
Mentor – Accounting, Auditing,  
Corporate & Allied Laws Committee

CA. Deepabali Das  
Chairperson - Accounting, Auditing, Corporate  
& Allied Law Committee

CA. Vijay Sagar Shenoy  
Chairman, Representation Committee

CC To: Hon. Minister of State for Corporate Affairs, New Delhi