

Date: 27th December, 2021

To,

1. **Smt. Nirmala Sitharaman,**

Hon'ble Finance Minister,
Ministry of Finance,
North Block,
New Delhi 110 001.

2. **Shri Tarun Bajaj**

Hon'ble Revenue Secretary,
Central Board of Direct Taxes,
North Block,
Delhi - 110 001

3. **Shri Jagannath Bidyadhar Mahapatra**

Chairman,
Central Board of Direct Taxes,
North Block,
Delhi - 110 001

Respected Madam / Sirs,

**Sub: Representation of Technical glitches in the Income-tax e-filing portal and
Request for Extension of due dates for filing Return of Income**

The Chamber of Tax Consultants, established in 1926, is one of the oldest non-profit organizations of tax practitioners, having Advocates, Chartered Accountants and Tax Practitioners as its members spread across Pan India. Many senior tax professionals who regularly appear before ITAT, High Courts and the Supreme Court are its Past Presidents. The Chamber has been making regular representations before various government agencies.

The Chamber regularly takes up initiatives to act as a bridge between stakeholders and concerned regulatory bodies in order to convey and help in resolving genuine grievances or effectively implement the laws.

Today, we have come forward with a representation on the glitches faced on the new Income-tax e-filing portal.

I. Glitches in the new Income-tax e-filing portal

At the outset, we sincerely appreciate the ministry for launching the new income-tax e-filing portal with a view of technological upgrade and to bring in better and improved functionalities and trying to build a robust mechanism to ease the compliances for the taxpayers.

While the new portal was launched on 7 June 2021, even after more than 6 months, the same is yet to settle down and function appropriately in a smooth and satisfactory manner, due to which the taxpayers are facing unavoidable hardships and issues in undertaking compliances and filing of Income-tax Returns (ITRs). Many technical glitches only add on to the miseries of the taxpayers in filing the ITRs.

The key issues / glitches which are faced are highlighted as under:

1. Issues in login and registration of new assessee / user

At the outset, we wish to bring it to your kind attention that the portal is very slow and it takes a lot of time even to login into the portal in order to be able to file returns and related forms. Many a times, the login fails too and the taxpayer is not able to login only.

Registration of new assessee / user also is a big challenge as we are not able to register many new assessees on the portal as it gets rejected for reasons unknown.

2. Registration of Digital Signature Certificates (DSC)

Another major issue is that the DSCs are not getting registered smoothly. At times, the portal asks to change the PIN, at times it throws an error of PAN mismatch, sometimes even the server is down.

Even in the case of registered DSCs, lot of issues are faced while using the DSCs for verification purpose, specifically in the case of Karta / Partner / Directors etc.

3. Issues in getting One-time Passwords (OTPs)

Even OTPs are not coming on mobile phones or they come after a gap of time and have at times expired at the time of receipt.

4. Constant updation of versions of utilities

There has been constant updation of utilities and instructions for filing the ITR Forms and Tax Audit Report. For instance, the latest common offline utility for

filing ITR 1 to ITR 4 for the AY 2021-22 was released on 20 December 2021. Also, the latest excel utility for ITR 5, ITR 6 and ITR 7 was released on 24 December 2021 and JSON schema for ITR 5 was released on 17 December 2021.

Many taxpayers / consultants use third party software to file the ITRs and the software companies also take time to update the respective softwares with the above updation of utilities and thereby resulting in further delay in filing of ITRs.

5. Issues in uploading various forms

Most taxpayers are unable to file various forms like 10 IC (for opting for concessional tax rate), Form 10B [audit report under section 12A(b) of the Act], Form 29B (for MAT) and Transfer Pricing Reports under section 92E of the Act.

6. Reconciliation of details updated in Annual Information System (AIS), Tax Information System (TIS) and Form No. 26AS

Further, the new system of AIS and TIS has added to the new set of verification and reconciliation of data by taxpayers. It is worth noting that in most of the cases, there is a lot of mismatch in the information reported in TIS as compared to the actual details and the same reported in Form No. 26AS as well.

This has resulted in an additional burden on the taxpayers to reconcile the differences before filing the ITR in order to ensure that there are no further notices / unwarranted 143(1) adjustments and unnecessary hassles post filing of Income tax Returns.

7. Other Issues

Few other issues are listed hereunder for ready reference of your goodself and further action-

- Issues in accessing the details and data for earlier years;
- Issues in downloading Form No. 26AS;
- Issues in downloading ITR V and ITR forms after uploading;
- Issues in filing Tax Audit Reports in Form No. 3CA / 3CB and Form No. 3CD;
- Issues in registering legal heir;
- Issues in accessing the e-services and other features of the new portal;
- Trouble in filing Rectification Application under section 154 of the Act etc.

II. Request for extending the due date for filing of ITRs

While our primary request is to address the various glitches, few of which are listed above, at the earliest so as to enable smooth filing of ITRs and other forms on the new e-filing portal, given the current situation of the portal, we also request your goodself to kindly consider granting the extension in filing the due dates in the interest of the taxpayers.

We at the Chamber, always advocate timely compliance and filings by the taxpayers and firmly believe that it is in the interest of not just the taxpayers but also the country as a whole to file the returns in time and also pay the taxes in time but knowing the reality of the situation and multiple glitches on the portal we are forced to make request for the extension of due dates.

The press release issued by CBDT says that more than 3 crore ITRs were filed on the new e-filing portal till 3 December 2021. The data suggests that over 4 lakh or more returns are filed per day. It further suggests that around 94 percent of the taxpayers are individuals and 5 percent are Firms and Companies, whereas balance 1 percent is other categories *viz.* Trusts, AOPs etc.

In short majority of the taxpayers will have their due dates falling on 31 December 2021. Therefore, it is imperative to consider the extension given the current state of the new e-filing portal and glitches associated with the same.

In light of the above, we request your goodself to kindly consider the extension of due dates for filing of Income tax Returns and also Audit Reports for the assessment year 2021-22 as under-

Sr. No.	Particulars	Extended Due date requested
1	The due date of furnishing of Return of Income, which was 31 July 2021 under section 139(1), and extended to 31 December 2021	31 January 2022
2	The due date of furnishing of Report of Audit under any provisions of the Act, which was 30 September 2021, and extended to 15 January 2022	28 February 2022
3	The due date of furnishing of Return of Income, which was 31 October 2021 under section 139(1), and extended to 15 February 2022	31 March 2022

4	The due date of furnishing Report from an Accountant by persons entering into international transaction or specified domestic transaction under section 92E of the Act, which was 31 October 2021, and extended to 31 January 2022	31 March 2022
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With due respect to the above difficulties faced by the assesseees and the professionals, we request you to take them into consideration and extend the due dates for filing ITRs, tax audit, transfer pricing audit report as suggested above at the earliest. The entire fraternity of taxpayer and professionals will highly appreciate if this is done soon enough (*i.e.* well before 31 December 2021) to allow them to get a clarity.

We also reiterate our request to look into the glitches of the new income-tax website and try to provide permanent and effective solution for all the issues. This will serve the purpose of providing robust infrastructure for the seamless filing and processing of the Returns and will eventually lead to ease of doing business.

We now look forward for your kind consideration to the genuine request.

Yours Sincerely,

For THE CHAMBER OF TAX CONSULTANTS

Sd/-

Ketan Vajani
President

Sd/-

Mahendra Sanghvi
Chairman

Sd/-

Apurva Shah
Co-Chairman

Law and Representation Committee