



President
Ketan Vajani

Hon. Jt. Secretaries
Neha Gada | Mehul Sheth

Vice President
Parag Ved

Treasurer
Vijay Bhatt

Imm. Past President
Anish Thacker

24th August, 2021

To,

Shri Jagannath Bidyadhar Mohapatra

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

The Pr. Chief Commissioner of Income-tax,

Aayakar Bhavan,
M. K. Road,
Mumbai – 400020

Respected Sir / Madam,

Sub: Difficulties faced on the new Income-tax Portal – Our Suggestions for the same

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 write this communication to you for the purpose of drawing your kind attention on various difficulties faced by the tax payers and tax professionals on account of the technical glitches due to the new Income-tax portal which has been launched on 7th June, 2021. The Issues faced are divided mainly into following broad areas.

1. Problems with filling return

The following problems are faced in relation to filing of the Returns of Income:

- Utilities are not yet issued for ITR- 5, ITR- 6 and ITR-7. Utility for ITR-3 has been recently notified but it is not flawless and the Returns cannot be easily filed.

- Similarly, the utilities for ITR-1, ITR- 2 and ITR-4 have been notified but have many problems. For example: importing of prefilled data gives missing items and then the TAN numbers have to be filled manually.
- HUF returns cannot be filed as it keeps on giving errors.
- There is a problem with filling Returns in response to notices u/s. 148 of the Act. In some cases the e-verification is giving a problem and in some cases the site says the return is already filed when it is not actually filed. The filed returns take 24 hours to show online after filling.
- It is also observed in some cases that the acknowledgments for returns uploaded in response to notice u/s.148 are reflecting incorrect figures in the acknowledgments (ITR-V) which are not matching with the actual data uploaded.
- The TCS on LRS foreign remittance is taken as credit. However, while filing the Return of Income the system gives message that the income in TCS is not shown in the Return. It is obvious that this is not income of the assessee and hence it will not be so reflected.
- For enabling EVC through a bank account, it is now required that 'Mobile number and Email Id in e-filing profile should match with the details linked with the bank account'. This was not required in old website. In many cases bank accounts are validated, but assessee has not provided email address to its bankers, hence EVC cannot be enabled.

2. Problems with registration of Digital signature

- The site requires all assessees to re-register the digital signature on the new portal. The new system is introduced, but it does not give proper guidance explaining the procedure.
- The site gave initial problems in registration, which was functioning properly for a few days but has again started giving problems to the assessee.
- The digital signature though registered on the new portal, again requires registration in some cases.
- In the last few days of the registration, uploading with digital signature was not possible as the site kept on giving the response as system error.
- In case of companies, the directors have to first register the signature in individual PAN similar for trustees of trust. This creates problems for such trusts and companies as the person may not be willing to allow his personal details to be shared to the company or trust and the whole process gets delayed as the person will first register in Individual PAN and then in companies or trusts PAN.

3. Problems with filling other forms online

- The new website does mapping and allocates forms for each PAN. It is not possible to understand the reason behind such restriction. It would be appropriate if the tax payer is permitted to select Form which he wants to file. Mapping creates problems as the same is not done properly.
- In case of trust where Form 10A is not seen have to raise a grievance. Then the form is properly mapped. The due date of filing Form No. 10A is 31st August 2021, which is approaching fast and the trusts are finding it difficult to manage within the available time frame.
- The forms notified under VSV i.e. Form 4 could not be filed till recently. If at all some of the assessee have been able to file it, it is with great difficulty as the data saving in the website is not working all time.
- The earlier forms filed under VSV (Form 1, 2 and 3) are not visible and available for download as in the previous site. Form 5 issued earlier are not available for viewing or download.
- The extended due date for tax audit is 31st October, 2021. Utility for online submission of forms 3CD, 3CB and 3CA are not available.
- As per the CBDT circular, the Forms 15CA and 15CB which were filed manually till 15th August, 2021 needs to be again furnished online. However, the site does not permit this.

4. Problems with e proceeding uploads

Now with most of the assessments, appeals and penalties being dealt under the faceless regime, many challenges are faced in this area, some of which are listed below:

- The E-proceeding tab was activated very late. In certain cases, earlier submissions are not seen. The uploading is difficult on the new website as for each submission there has to be an e-verification which was optional in the old site. The submissions take time to appear online after it is uploaded.
- In case of search assessments where assessing officer is known and the physical hearings are allowed, it is noticed that the uploaded files take many days to be available to the assessing officers who seek for a copy from the assessee for non-availability of the uploaded submissions. This has caused us worry as in certain faceless assessments show cause is issued and upload of details are done. If the assessing officer is not able to see the submissions, then an ex-parte order might be passed though the submissions are made. The assessee will suffer huge

additions / disallowance for the reason of technical glitches. Our fear is not misplaced since in certain cases of faceless assessment already such orders are passed without considering the submissions of the assessee and the matters have been set aside in writs by High Courts.

- The time consumed in uploading data is much more as compared to the old site. This is likely to increase the compliance cost for the assessee.
- The restriction on the file size continues to trouble the assesseees and their representatives. When a large file is to be uploaded, additional efforts are required to be made to make it squeezed in permitted size which at times results in the quality of the file and may lead to difficulty for the assessing officers to view it properly.

5. Problems with filling online appeals and faceless appeal proceedings

- Appeal cannot be filed due to DIN not being available online. Recently some DIN have appeared after grievances were filed. However, filling appeal online is a nightmare.
- For the new appeals filed online, the acknowledgment and the form is seen. However, the attachments to appeal filed are not seen.
- The procedure for remand report as per Rule 46A is not clear, earlier in certain cases remand report was called for in physical hearing but now it is shifted to faceless appeal. No one knows who and how will one carry out the remand proceedings, and whether assessee will get an opportunity to rebut the remand report.

6. Problems with filling online re-registration of trusts

- The form in one place seeks the details as to whether the returns for last three years are filed. If you say yes then there is no need to fill data of balance sheet.

However, the form compulsorily marks NO as the answer and does not allow you to mark YES thus leading the trust to compulsorily fill up data of balance sheets

This problem was solved after grievances were filed but the same has reappeared again and the site does not address in spite of the grievance filed.

7. Features available in the old site but not available in the new site

Certain features were available in the old website and have been very useful to the tax payers are discontinued in the new website. The list of some of such features are as under:

- The rectification TAB is not available making it very difficult as the Jurisdictional Assessing officer says the rights have not been transferred to him from CPC Bangalore. This creates difficulty for the tax payer.
- The tab to respond to notice under section 245 is not available. Thus the demands are being adjusted without assessee having right to reply to the notices issued in this regard. These results in the procedure laid down under section 245 as only theoretical.
- The outstanding demands are not seen online, making it difficult for tax payer to know what the outstanding demand is and also to respond to the same.
- Downloading any document from the site is a problem, Downloads are possible only with luck. This creates various obvious difficulties for the assessee.
- Filing form 61A (under section 285BA) is also creating various difficulties. The said form has penalty of Rs. 500 per day which will be again an additional burden for the taxpayers for the glitches of the website.

Recommendations

Considering the above difficulties, we sincerely request that the CBDT shall take appropriate measures to address all the above issues at the earliest. In particular, we suggest and request for the following remedies / reliefs:

- There is an urgent need to extend the dates of filing Returns, the Tax Audit Reports and also the Transfer Pricing Reports to a suitable date so as to allow reasonable time for the tax payers and professionals to comply with the statutory due dates.
- The assessing officers / National Faceless Assessment Centre may please be directed to not pass ex-parte orders hastily without verifying as to whether the reply is filed but stuck in technical glitches. The date for assessment may also need to be extended if the site is not working.
- Provide clarity in filing of appeal and condone all delays in filing appeal due to the website problems. CBDT shall come out with a circular to this effect taking



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cognizance of the situation and appreciating the fact that the fault did not lie with the assessee.

- Clarification shall also be issued about the person responsible to carry out the remand proceedings and laying down SOPs for remand proceedings.
- Till the new website is not fully functional and all glitches are not resolved, the CBDT shall consider to re-start the old site.

We look forward for your kind consideration to the request.

Yours Sincerely,

For THE CHAMBER OF TAX CONSULTANTS

Sd/-

Ketan Vajani
President

Sd/-

Mahendra Sanghvi
Chairman
Law & Representation Committee

Sd/-

Apurva Shah
Co-Chairman