



Date: 08.01.2022

To,

Smt. Nirmala Sitharaman

Hon'ble Union Minister for Finance and Corporate Affairs

Government of India

New Delhi 110001.

Respected Madam,

Subject: Extension of various dues dates of filing Audit Reports and Income Tax Returns under Income Tax Act, 1961 in the backdrop of technical glitches on the IT portal coupled with Covid-19 third wave

The Covid-19 third wave has shaken the world again and uprooted normalcy everywhere. Curfews, restrictions on movement and various other restrictive measures are being taken across many states to control this outbreak. Till now, the Governments have been extremely pro-active in taking various measures to control the outbreak of third wave and to help the economy deal with this situation. We sincerely appreciate the efforts by the Governments in this regard.

We are writing to you regarding the problems being faced by taxpayers on the new portal 'Efiling-2.0'. Even though the functioning of the portal has improved over the past few months and we are grateful that some of the concerns raised earlier have been addressed and resolved, however we regret to inform you that even after the expiry of approximately 4 months since the date (15.09.2021) the portal was expected



to have become smoothly functional, taxpayers as on date still continue to face various technical issues while interfacing on the portal.

Further, with the due date for filing the income tax returns and audit reports for A.Y. 2021-22 approaching very close, these technical issues are causing panic and concerns amongst various stakeholders.

We have worked closely with multiple stakeholders to understand the issues at hand with respect to new portal 'Efiling-2.0'. We hereby humbly submit that although statistically the number of income tax returns filed for AY 2021-22 may be in sync with the numbers for earlier years, however the ground reality as far as procedural difficulties are concerned, is far different and far from ideal situation. We therefore wish to highlight the various issues being currently faced by all stakeholders while accessing and interfacing on the new portal 'Efiling-2.0' to perform the statutory compliances related to filing of income tax returns and tax audit reports.

1. Login issues

We wish to highlight that the new portal has been working erratically in terms of response speed. It works quite slowly at odd hours and it takes multiple attempts to login into the portal in order to upload returns and audit forms.

2. Last minute updation of versions of utilities

There has been last minute updations of utilities and instructions for e-filing the ITR Forms and Tax Audit Report. For instance, the latest schema of Forms 3CA-3CD and 3CB-3CD was updated at the fag end (on 6th January 2022) of the filing due dates. This leads to unnecessary duplication of work as old Json files are no longer accepted with change in the schema.



Also, many taxpayers / professionals use third party softwares to file the ITRs / audit reports and the software companies also take time to update their respective softwares with the above updation of utilities and thereby resulting in further delay in filing of ITRs / audit reports.

3. Issues in accepting audit forms/reports

In various instances, the portal is not allowing taxpayers to accept the tax audit reports uploaded by the auditor which tantamount to multiple attempts to upload a single audit report.

4. Non availability of ITR acknowledgements

It has been noticed that though the income tax return has been successfully uploaded and e-verified, the ITR acknowledgements are not being generated and are not visible on the portal instantly, causing avoidable concerns.

5. Registration of new assessee

Registration of new assessee is a humongous challenge as registration is not getting accepted for reasons not known. No proper and specific error message is being displayed describing the reason of error, and in case grievances are raised with reference to same, the support team seeks the screen shot of the error message which is causing undue delay in registration process.

6. Registration of Digital Signature Certificates (DSC)

Next major concern is that the digital signatures are not getting registered seamlessly. 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 digital signatures, problems are faced while using the DSCs for verification purpose, specifically in the case of Karta / Partner / Directors etc.

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

There has been a huge time lag in receiving the OTPs while doing the Aadhar enabled e-verification which leads to multiple attempts for verifying a single ITR. Again, this leads to nothing but duplication of clerical work.

8. ITR - 6

The Companies who have opted for concessional tax u/s 115BAA or 15BAB last year are facing issues while uploading ITR 6 for AY 2021-22. The Portal is not allowing the filing of ITR and is asking for filing of Form 10-IC again which is not required under the law.

9. AIS statement, Form 26AS

It is pertinent to mention that in many cases, there is a lot of mismatch in the information reported in AIS as compared to the actual details and the same reported in Form No.26AS as well. This has resulted an additional burden on the taxpayers to reconcile the differences before filing the ITRs in order to ensure that there would be no further notices, unwarranted adjustments u/s.143(1) and unnecessary hassles post filing of the Income Tax Returns.

10. Charitable Organization

Charitable trusts and other institutions are required to furnish Audit Report in Form 10B. The trusts and auditors are facing hardship since the portal is not allowing uploading the Audit Report in Form No. 10B for reasons not known. Owing to this, there has been huge delay in uploading of ITR 7.



It needs to be appreciated that these audit reports are required to be filed by charitable trusts and other institutions. These trusts are not properly equipped and are neither computer savvy to handle the problems arising out of the portal glitches. The failure to file the audit reports by the due date/s could have serious consequences for these trusts leading to denial of exemptions they are otherwise eligible.

11. Form 3CEB Utility is not released

One cannot file Transfer Pricing Audit Report as Form 3CEB Utility is not released. Secondly the Online filing of form option is not working properly and the format of the form hosted is asking few additional details other than the one notified in the Rules.

Our representation:

- 1) The technical glitches / errors as pointed out above are fixed expeditiously and appropriate instructions be given to the service providers.**
- 2) Considering all the above difficulties being faced by all stakeholders, it is recommended that the due date for filing of Income tax returns and Tax audit report for all the taxpayers for A.Y. 2021-22 be extended to 31st March, 2022. Consequently, the timelines for filing all the relevant reports and certificates under the Act which fall due and co-inside along with or in connection with the ITR filing due dates may also be extended to 31st March, 2022.**



- 3) **The due dates for filing of Form 3CEB and all the associated compliances like filing of Form 3CEAA are deferred to 31st March, 2022. The due date of filing Form 3CEAB which needs to be filed 1 month before the above due date be allowed to be filed on or before 28th February, 2022. Consequently, time limit for filing of Country by Country Reporting (CbCR) may also be extended.**

Having regard to the above difficulties faced by all the stakeholders including the tax assesseees and the tax professionals, we request you to please take them into consideration and extend the due dates for filing ITRs, Tax audit reports, Transfer pricing audit reports, etc. as suggested above at the earliest.



Thanking you,

Yours sincerely,

CA Abhay Mehta
President
Bombay Chartered Accountants' Society

CA Monish Shah
President
**Chartered Accountants Association,
Ahmedabad**

CA Chandan Kumar Hegde A
President
**Karnataka State Chartered Accountants
Association ®**

CA Rajneesh Shukla
President
**Lucknow Chartered Accountants
Society**

CA Vinodh Kothari S
President
**Association of Chartered Accountants, Chennai
The Chartered Accountant Study Circle, Chennai**

Sd/-

Mr. J. Murli

**Cc: Chairman, CBDT
Joint Secretary, TPL-I
DIT (Systems)**