

LUCKNOW CA TAX PRACTITIONERS ASSOCIATION

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To,

**Hon'ble Finance Minister,
Government of India,
New Delhi.**

Respected Madam,

Reg. : **Representation for extension of due dates for filing of Tax Audit Reports and filing of Income Tax Returns under the Income Tax Act 1961.**

Lucknow C A Tax Practitioner's Association is a voluntary non profit organization at Lucknow (U.P.) formed with Primary Object of educating and updating its members in Industry and in practice on the issues relating to Taxation and allied laws. It is always endeavour of our association to be a forum through which the issues and grievances of the stake holders can be addressed before the Tax Authorities / Administration through effective representation.

At the outset we would like to appreciate the measures and efforts taken by the central government in controlling the spread of covid infection and expanding the scope of vaccination for children's aged between 15-18 years.

As your goodself are aware that the due dates for filing of Tax Audit Reports is soon approaching on 15th of January 2022. But owing to recent surge in the Covid Infection in the last week of December 2020 it is getting extremely difficult for the Tax payers as well as the Tax auditors to freely conduct the Tax Audits as Covid surge has caused serious hindrances in conduct the process and thus the Audits cannot be conducted in the '*Covid Shadow*'. Such is the scare of Covid infection that the Election commission also took cognizance and prohibited from conducting political rallies, roadshows etc till 15th January 22 in the poll bound states.

With this background we are making this representation for extension of Tax audit and ITR filing dates owing to the problems being faced by the Tax payers and tax professionals on the new 'E-filing portal 2.0.' and due to Third Covid Wave.

I- Extension of Due Date owing to recent surge in covid infection amid Third Covid Wave

We appreciate the extension provided for tax audit up to 15th January 2022 and 15th February 2022 for income tax return filing for the Assessment Year (AY) 2021-22 and respectively. While the country has been unlocked gradually, we are suddenly observing and experiencing a sudden surge in covid infection which is rising exponentially each day across the country. Amidst this, several restrictions are still in place in various States and movement is still restricted. Even the people who are fully vaccinated are getting infected and the number of COVID-19 cases reported is still on a rise. There is also a huge fear of getting infected among the people due to which they prefer not travelling at all or restrict it to the vicinity of their homes for their necessity.

Owing to this, several industries and private offices have still not resumed functioning at all. The industries and offices that have resumed are still struggling to function at a low level of normalcy. This also includes the offices of the Tax professionals being Chartered Accountants and Tax Practitioners.

Due to this, serious hindrances are caused in conducting tax audit and filing the return of income as data are not being received promptly and thus the professionals are unable to perform audits efficiently. Also travelling to the place of auditee is very difficult for the professionals and their staff. Many of the staff members of the Auditors and also the accounts department of the auditee have also got infected in the recent surge of the virus and had to be either home quarantined or hospitalized. This makes a hurricane task to complete the audit within the limited number of days available.

Several Chartered Accountants and Tax Practitioners (and also their close family members) themselves have also been infected and have not been able to work for minimum of 7-10 days. Also, visiting any place of auditee all the more exposes them to the virus making them prone to get infected. If they are infected in the last few days while the spread of the virus is wide and speedy, the businesses may suffer due to *non-compliance*. Also, there has been a tremendous loss already of many close relatives and family members in the second wave which took place almost at the same time last year.

This has raised the level of fear and panic in not just the clients/tax payers but also the Chartered Accountants and Tax Practitioners which includes senior professionals and senior assesseees who are following this advice and are not able to comply with the existing due dates. These hindrances are making it very difficult for the tax payers, the Chartered Accountants and the Tax Practitioners to comply even with the extended due dates.

II- Glitches in the new Income-tax e-filing portal

Following are the issues on E-filing portal 2.0 which require timely resolution are outlined 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 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)

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 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

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

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- Frequent 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 6 January 2022. Also, the latest excel utility for ITR 5, ITR 6 and ITR 7 was released on 24 December 2021 and JSON schema for ITR 6 was released on 30 December 2021.

Many taxpayers / Tax Auditors / consultants use third party software to file the Tax Audit Reports / 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 Tax Audit Reports and ITRs.

5- Issues in uploading various forms.

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.

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 recorded in Books of Accounts.

This has resulted in an additional burden on the taxpayers and Tax professionals to reconcile the differences before filing the ITR in order to ensure that there are no further notices / unwarranted 143(1) adjustments.

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 ITR V and ITR forms after uploading;
- Issues in registering legal heir;
- Issues in e-verification ;
- Trouble in filing Rectification Application under section 154 of the Act etc

In the 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 Report of Audit under any provisions of the Act, which was 30 September 2021, and extended to 15 January 2022	28 February 2022
2.	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	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

PRAYER

Our association pleads to extend the due dates considering our above grievances it would be fair and reasonable and will maintain harmony amongst the taxpayers / stake holders.

With Regards.

Yours Sincerely,

FOR LUCKNOW CA TAX PRACTITIONER'S ASSOCIATION



President



Secretary

Place: Lucknow

Dated:

CC : Shri Tarun Bajaj
Hon'ble Revenue Secretary,
Central Board of Direct Taxes, North Block, Delhi – 110 00

Shri Jagannath Bidyadhar Mahapatra
Hon'ble Chairman,
Central Board of Direct Taxes,
North Block, Delhi – 110 001