

Date: 7<sup>th</sup> January, 2022

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**  
Hon'ble Chairman,  
Central Board of Direct Taxes,  
North Block,  
Delhi – 110 001

**Respected Madam / Sirs,**

**Sub: Request for Extension of Due Dates for filing Tax Audit and Transfer Pricing Reports**

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.

We have come forward with a request of extending the due dates of Tax Audit, Transfer Pricing Audit and Income Tax Return filing. Apart from others, this request is based on two major reasons being:



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Vice President Parag Ved	Treasurer Vijay Bhatt	Imm. Past President Anish Thacker

## I. Third Wave of Covid-19 Pandemic

At the outset, we commend the Government for the way the pandemic has been efficiently tackled during the various phases of lockdown and unlock and also with the massive vaccination drive across the country, whereby more than 60 percent of the total population has been vaccinated with atleast one dose. We also appreciate the extension provided for tax audit up to 15<sup>th</sup> January 2022 (31<sup>st</sup> January 2022 for cases covered under Transfer Pricing) and 15<sup>th</sup> February 2022 for income tax return filing for the Assessment Year (AY) 2021-22 and (28<sup>th</sup> February 2022 for cases covered under Transfer Pricing) respectively.

While the country has been unlocked gradually, we are suddenly observing and experiencing a sudden spike and severity of the third wave of Corona virus 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. Due 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 Chartered Accountants and Tax Practitioners.

Due to this, the details required for carrying on tax audit and filing the return of income are not being received promptly and thus the audits cannot be efficiently performed. Also travelling to the place of audit is very difficult for the professionals and their staff. Many of the staff members of the Auditors and also the accounts department of the assesseees have also got infected in the recent upsurge of the virus and had to be either home quarantined or hospitalized. This makes it all the more difficult 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 audit place 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 but also the Chartered Accountants and Tax Practitioners.



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In addition to this, the senior citizens are advised to stay at home. This includes senior professionals and senior assesseees who are following this advice shall not be able to comply with the existing due dates.

These hindrances are making it very difficult for the assesseees, 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

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 Tax Audit Reports, Form 3CEB, Income-tax Returns (ITRs). Many technical glitches only add on to the miseries of the taxpayers in filing various Forms including Tax Audit Reports, Form 3CEB, Form 29B as well as 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 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 assesseees 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.



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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 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.

Further, the latest version of common offline utility for Tax Audit Report in Form No. 3CA / 3CB and Form No. 3CD (which was first released on 10 September 2021) was released on 28 December 2021 and the Form Schema (which was first released on 26 October 2021) was released on 6 January 2022.

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

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



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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 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;
- Issues in e-verification ;
- Trouble in filing Rectification Application under section 154 of the Act etc.

## III. Request for extending the due date for filing of Tax Audit Reports and Transfer Pricing Reports

Considering the above factors, we sincerely request your goodself to kindly consider granting extension in due dates for filing the Tax Audit Reports and Transfer Pricing Reports in the interest of the taxpayers by one month. We also request you to look into the issues arising out of technical glitches, few of which are listed above, at the earliest so as to enable smooth filing of Tax Audit Reports and Transfer Pricing Reports, ITRs and other forms on the new e-filing portal, given the current situation of the portal and also the rise in third wave of COVID-19.

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 and other forms 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. **Also, we wish to highlight that there**



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**will be no loss of the revenue to the exchequer by this extension, but it will merely give moral support to the taxpayers, Tax Auditors and the tax professionals to tackle with the risk of the third wave of COVID-19 and also ensure quality compliance within the extended timelines.**

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	15 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

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 15 January 2022) to allow them to get a clarity.

If at all our request for extension cannot be accepted for any reason, we alternatively urge that necessary instructions may be issued to the officers not to initiate penalty proceedings for late submissions of the audit reports considering the fact that the country is passing through a very challenging time in combating the recent rise in the number of covid cases and many citizens are presently unable to carry out their obligations due to medical compulsions.

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





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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