



The Chamber of Tax Consultants

Mumbai | Delhi

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24th July, 2018

To,
Shri Sushil Chandra
The Chairman,
Central Board of Direct Taxes
North Block,
Delhi 110001.

Respected Sir,

Re: Extension of due date for filing of return of income u/s 139 of the Income-tax Act, 1961 (“the Act”).

1. The Chamber of Tax Consultants (CTC), Mumbai was established in 1926. CTC is one of the oldest (about 92 years) voluntary non-profit making organizations in Mumbai formed with the object of educating and updating its members on Tax and other Laws. It has a robust membership strength of about 4000 professionals, comprising Advocates, Chartered Accountants and Tax Practitioners.

2. Your goodself will appreciate that every year CBDT notifies the Income Tax Return Forms (ITRs) and the schema for electronic filing of returns in the first week of April. However, this year there was a delay in release of various ITRs and schema except for ITR-1. The same are released mainly after 15th May, 2018.

Two years back, in a writ petition filed before the Hon’ble Bombay High Court for extension of due date u/s 139(1), the Government had committed before the High Court that the forms and facility for filing Returns of Income will be made available before the start of relevant Assessment Year. However this year while the ITR Forms were notified on 3rd April, 2018, the filing schema was released only after 15th May, 2018.

3. Further, after notification of the above forms, the various software companies have taken about 15 days time to update their software of filling and filing income tax returns on the website of the Income Tax Department. This has resulted in further delay in preparing and filing the returns of income when most of



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the tax practitioners and professional are using such software to file the returns of income of their various clients.

4. Also, this time, ITR's requires detailed bifurcation of GST component to be reported for cases where there is no tax audit and where the due date is 31st July. This is a new schedule and detailed working and reconciliation is required to be made in order to correctly fill up this schedule. Business communities, especially the small business entities, are facing several issues in reconciling the figures of GST as per the GST returns filed, as the GST portal does not provide annual consolidated statement for the whole financial year and taxpayers needs to download the details month wise in order to match the Sales, Purchases and GST figures.

5. Just 3 weeks back, TRACES website has slightly altered the way of downloading 26AS. Due to this change in system it has been noticed that many a times Form 26AS does not get downloaded in PDF format. Further, in case number of records in Form 26AS are excessive, then there is no facility to download Form-26AS instantly, the same is subsequently sent via email to assessee. This also consumes more time for the filing process. In addition thereto, the downloading of 26AS from the TRACES site has been experiencing regular periods of downtime over the last fortnight.

6. Section 234F introduced vide Finance Act, 2017, mandates Fees of Rs. 1000 /Rs. 5000, in case Return of Income is filed after due date specified in Explanation 2 of Section 139(1). Further, there is no remedy or relief provided in the Act, against this fee. If the due date is not extended, it will cause a great prejudice and financial loss to small category of tax payers even in genuine cases. Moreover, in case of a Trust, if return is not filed before due date, then even exemption u/s. 11 and 12 cannot be availed. These are harsh provisions of the Act and are prejudicial to the interest of Tax payers. While there are various reasons which we have listed in this representation which highlight why tax consultants have found it difficult to prepare and file returns of tax payers in the earlier parts of the year from April to June, resulting in an undue pressure towards the deadline of 31st July 2018.

