

PROCEDURE FOR REGISTRATION OF DIGITAL SIGNATURE AND UPLOAD OF INCOME TAX RETURNS USING DIGITAL SIGNATURE

A. The salient features of use of Digital Signature Certificate (DSC) for signing the Income Tax Return are as under:

1. As per Section 140 of the IT Act 1961, the person responsible for signing the I-T return can be, typically, the:
 - a) Managing Director or any other Director (in case the MD is unavailable) in case of a Company;
 - i. Any authorized person holding a legal power of attorney in case of a Non-resident Company;
 - b) Managing Partner in case of a Firm or any other Partner (in case the Managing Partner is unavailable);
 - c) Principal officer / Chief Executive Officer or Competent person in case of other entities such as Association of persons, Body of Individuals, Artificial Juridical person, Local Authority, Trust etc
 - d) Karta in case of a HUF;
 - e) Self in case of an Individual or;
 - i. Any authorized person holding a legal power of attorney in case the individual is incapable of signing the I-T Return or is absent from India.
2. Any person wishing to sign the I-T Return digitally has to complete the registration process for the DSC on the e-filing website- <http://incometaxindiaefiling.gov.in> prior to signing.
3. Any person could register his DSC to be used to sign the I-T Return of any entity provided he was a Director or Partner or Key Person as mentioned in the Key person Schedule of the I-T Return (ITRs 5 or 6) already filed electronically with the Income Tax Department.
4. Any person could register a DSC and use the same in his individual capacity to sign his own I-T Return as well as sign the I-T returns in his various capacities as mentioned in 1 above, if required, and for as many entities as applicable.
5. Any person could change or update his DSC registration any number of times.

B. The existing procedure for registration of the DSC is as follows:

1. The authorized signatory / Individual would log into the E-filing website- <http://incometaxindiaefiling.gov.in> using the Login particulars such as the userid and password of the company / firm / HUF / Individual etc.
2. Under "My Account" he would have to select -> Update Digital Certificate (see webpage below-> circled portion under 'My Account')) or register the DSC at the time of creating the user on e-filing website at the time of initial registration:



3. The taxpayer has to select the appropriate type of DSC (.pfx or USB token) and click on 'Select Your .PFX File Certificate'.

At this stage, the Department would verify if the person holding the DSC matches the Director / Partner / Key Person in the Key Person Schedule of the Company (ITR-6) or Firm etc (ITR-5). If there is a match, i.e. the person registering the DSC is mentioned as a Director / Partner / Key Person, then the DSC would be registered against the Company / Firm / Entity PAN and the critical details such as the SI no, Name etc would be stored. In this process, it is essential that at least one earlier I-T Return should have been filed by the Company / Firm / Entity so that the verification of key person is possible. In case an individual is registering the DSC for his own ITR (ITRs 1-4 case), then the email id as mentioned in the DSC should match the email id as per his registered profile in the e-filing website.

Now, the I-T Return for the Individual/HUF/Company / Firm / Entity PAN can be signed using this registered DSC.

4. At the time of uploading the I-T Return of the Company / Firm / Entity PAN, if the DSC is used for signing the I-T Return, the Department verifies,
- i. if the DSC is registered;
 - ii. that the unique SI No of the DSC used to sign the I-T Return is the same as the unique SI No of registered DSC; and,
 - iii. the PAN number of the Verifier (Authorized Signatory) as mentioned in the Verification portion of the I-T Return, is the same as that of the person bearing the registered DSC; or
 - iv. in case of ITRs 1-4, the Individual logged in is the same as the person bearing the registered DSC,

only then the I-T Return is permitted to be signed and uploaded.

(See webpage below- circled portions-> Select 'Submit return'-> 'AY 2010-11' for submitting I-T return for AY 2010-11 and then select 'Do you want to Digitally Sign the file' -> 'Yes'.

Select appropriate type of DSC (.pfx or USB token) and click on 'Next' to proceed further to enter the DSC password and sign and upload the I-T return.



C Amendment to Rule 12 – Making Digital Signature Mandatory for Companies

Vide notification dated 9th July 2010 amending Rule 12, the CBDT has made it mandatory all Companies filing ITR-6 to digitally sign the I-T return for AY 2010-11. In the following scenarios, taxpayers may find it difficult to register the DSC as per the existing procedure as mentioned above:

1. Non-resident companies where the Directors are foreign nationals.
2. Companies where the I-T return is being filed for the first time
3. Companies where the Managing Director has changed and other Directors are either unavailable or also have changed.

In all such cases it is difficult to verify the identity of the person and his relationship with the Entity for which he is the authorized signatory. With a view to make registration simpler in such cases, the procedure has been changed to enable registration of a DSC where the PAN is also provided in the DSC as per the latest Interoperability guidelines issued by the Chief Controller of Certifying Authorities. Such DSCs with encrypted value of PAN are now available in the market.

Refer to the new guidelines for DSC Interoperability issued by the CCA, Government of India in http://cca.gov.in/rw/resource/dsc_guidelines_r2.pdf?download=true wherein the Permanent Account Number (PAN) has been included in an encrypted format as an attribute (Page 50).

D. Changes in the process of Registration of DSC

In view of the above, a change is made in the registration process (as compared to sub-para 3 in para **B** above) for DSC as under:

Modified sub-para 3 of para **B**. The Authorized Signatory has the option-

- i. To select existing procedure to register the DSC, in case the scenarios mentioned in sub- paras 1, 2, or 3 in para **C** above are not applicable (the Authorized Signatory details must be already available in the previously filed I-T return of the Company/Firm/Entity, in which case he can continue to use his existing DSC issued prior to 01/08/2010); or
- ii. To select new procedure as given below:
 - a. The Authorized Signatory must use a fresh DSC having encrypted value of his PAN, as issued by Certifying Authorities with effect from 01/08/2010.
 - b. Enter Authorized Signatory's PAN number while registering the DSC. The same person must also enter the same PAN in the Verification portion of the I-T Return which he is signing in his capacity as Director/ Partner/Karta/Authorized Signatory.
 - c. If the Authorized Signatory PAN number matches the encrypted value of the PAN present in the DSC – then the DSC will be registered after selecting the appropriate type of DSC (.pfx or USB token) and clicking on 'Select Your .PFX File Certificate'.
 - d. In case of an Individual is registering his DSC for submitting own ITR (ITRs 1-4 case) then his PAN as per his login should match the encrypted PAN contained in the DSC- then the DSC will be registered after selecting the appropriate type of DSC (.pfx or USB token) and clicking on 'Select Your .PFX File Certificate'.
 - e. Now, the I-T Return for the Self / Company / Firm / Entity PAN can be signed using this registered DSC.

The screenshot shows the Income Tax e-filing portal. The main heading is "Income Tax e-filing". A navigation menu includes Home, About US, Downloads, Help, Services, and My Account. The "My Account" dropdown menu is open, showing options like My Returns, Change Password, Update Phone/Email, Update Digital Certificate, Update Secret Question/Answer, E-Filing Processing Status, and View Tax Credit Statement (Form 26AS). A sidebar on the left contains sections for DOWNLOAD (Schema Download, e-Filing A.Y. 2010-11, Previous Years), SUBMIT RETURN (Select Assessment Year), and USEFUL LINKS (UTI, NSDL, IRS officers online, e-Payment of Taxes, www.incometaxindia.gov.in). The main content area is titled "Register Your Digital Certificate" and contains the following text:

Please select the type of Digital Certificate you want to register With the DIT

Upload your .pfx file

Upload your USB token

Please Enter PAN of person authorized to sign the return.

Please note the same PAN should be present in the uploaded [input field] xml in the verification portion.

Click below to register you Digital Certificate with the Income Tax Department. You will be using this Digital Certificate to upload and sign your IT Return XML File. Please upload a valid digital certificate from the certificate authority of india

Buttons: Select Your .PFX File Certificate, Register

The I-T Return upload process remains the same. If the DSC is used for signing the I-T Return, the Department verifies,

- i. if the DSC is registered and in case DSC has been updated the DSC being used is the latest DSC registered;
- ii. that the unique SI No of the DSC used to sign the I-T Return is the same as the unique SI No of registered DSC; and,
- iii. the PAN number of the Verifier (Authorized Signatory) as mentioned in the Verification portion of the I-T Return, is the same as that of the person bearing the registered DSC; or
- iv. in case of ITRs 1-4 the Individual logged in is the same as the person bearing the registered DSC,

only then the I-T Return is permitted to be signed and uploaded.

Frequently Asked Questions

Question 1: I am trying to file Income Tax return (ITR 6) of a company. Do I have to use a Digital Signature? Is this mandatory only for domestic companies- are there any exceptions? What type of Digital signature should I use? Should the Digital Signature (DSC) be in the name of the Company or the Director? Do I have to register the DSC prior to uploading the ITR of the Company?

Reply: Yes, it is **mandatory** to use Digital Signature while e-filing ITR 6 of a Company. There are no exceptions. All Companies domestic or foreign have to e-file ITR 6 for AY 2010-11 using DSC. Only Class II or Class III DSC issued by Certifying Authority authorized by the Chief Certifying Authority of India (www.cca.gov.in) can be used. The DSC should be in the name of the Authorized Signatory – the person authorized to sign the ITR as per the Income Tax Act 1961. It should not be in the name of the Company. The DSC would have to be registered with the e-filing website (<https://incometaxindiaefiling.gov.in>) against the PAN for which the ITR is being submitted electronically prior to the actual upload of the ITR.

Question 2: I am trying to file Income Tax return of a new company. The system is not allowing me to file the return with Digital Signature of the director. Instead I am getting a Validation Error saying “If you are filing the first return of the Company/Firm/Trust, you have to submit ITR-V only.”

Reply: Please refer to para D above to follow new procedure to register DSC

“D. Changes in the process of Registration of DSC

- ii. To select new procedure as given below:
 - a. The Authorized Signatory must use a fresh **DSC having encrypted value of his PAN**, as issued by Certifying Authorities with effect from 01/08/2010.
 - b. Enter Authorized Signatory’s PAN number while registering the DSC. The same person must also enter the same PAN in the Verification portion of the I-T Return which he is signing in his capacity as Director/ Partner/Karta/Authorized Signatory.
 - c. If the Authorized Signatory PAN number matches the encrypted value of the PAN present in the DSC – then the DSC will be registered after selecting the appropriate type of DSC (.pfx or USB token) and clicking on ‘Select Your .PFX File Certificate’.
 - d. In case of an Individual is registering his DSC for submitting own ITR (ITRs 1-4 case) then his PAN as per his login should match the encrypted PAN contained in the DSC- then the DSC will be registered after selecting the appropriate type of DSC (.pfx or USB token) and clicking on ‘Select Your .PFX File Certificate’.
 - e. Now, the I-T Return for the Self / Company / Firm / Entity PAN can be signed using this registered DSC.”

Question 3: The person who has signed in the previous year IT return has resigned from the board. Hence new director will have to sign the current year return. Kindly advice me how to file the ITR6 with digital signature.

Reply: Same as Reply to Question 2 Above

Question 4: After choosing the Sign with eToken option, if we clicked Register option it gives following validation error “Key person name is not matching if you have filed return earlier.” But it is not our First return.

Reply: If the Key Person has changed or DSC details are incorrect and therefore do not match or the Key person details have not been correctly entered earlier, then this error may come. However, in all such cases registration may be re-attempted by providing correct details or using proper DSC, else in case of continued error, the new procedure for DSC registration has to be followed. Please see Reply to Question 2 Above.

Question 5: In the current scenario in order to comply with the requirements of the notification, the Foreign Company has given the Power of Attorney in our favour and as such the Digital Certificate will be in the name of the Constituted Attorney. The name of constituted attorney will not appear in the name of key persons as he is not an employee of the company or the Director of the company. We would therefore seek your kind guidance as to how we can upload the foreign company return, with our digital signature (we hold a Valid Power of Attorney from the foreign company) in the current situation where the Income Tax Website is giving a Validation Error.

Reply: Same as Reply to Question 2 Above. The Power of Attorney (PoA) holder is authorized to sign ITR of Foreign Company as per section 140 of Income Tax Act 1961. The PoA holder can register his DSC having encrypted value of his PAN against the Foreign Company PAN as per the new procedure.

Question 6: Can I register my existing DSC (that does not have encrypted value of PAN) or do I necessarily have to use a new DSC with encrypted value of PAN issued after 01/08/2010?

Reply: You can register using your existing DSC in all cases. However, the existing validations as mentioned in Para B -3 above would continue and these validations have to be passed for the DSC registration to be completed. You do not have to necessarily obtain a new DSC with encrypted value of PAN. As mentioned above, in case these validations fail in certain special circumstances, then, the new procedure has to be followed for registration, using a new DSC with encrypted value of PAN.

Question 7: What are the changes, if any, in case of an individual taxpayer wanting to submit ITRs 1-4 using his digital signature?

Reply: In case an individual is registering his existing DSC (without PAN) for submitting his own ITR (ITRs 1-4 case) then the email id as mentioned in the DSC should match the email id as per his registered profile in the e-filing website. However, if the Individual is registering his DSC having encrypted value of PAN, then his PAN as per his login would be validated against the PAN contained

in the DSC before registration of DSC can be completed. The ITR upload procedure remains unchanged as earlier.

Question 8: The I-T return to be filed is not that of a Company, but ITRs 1- 5. Do I have to file my ITR using Digital Signature only?

Reply: No, for ITRs 1-5, use of digital signature is **optional**. However, if the digital signature option is being used to sign the I-T return, then the DSC has to be registered against the PAN for which the ITR is being filed, as per procedure in Para D above.

Question 9: Do I have to file ITR 6 for AY 2009-10 or earlier using Digital Signature only?

Reply: No, it is optional for companies to file ITR 6 for AY 2009-10 or earlier using digital signature. Use of DSC is mandatory in case of ITR 6 only from AY 2010-11 onwards.

Question 10: If I am purchasing a new DSC now (after 01/08/2010) then should I get the DSC with encrypted value of PAN or should I purchase DSC without PAN?

Reply: Taxpayers purchasing a DSC for the first time (after 01/08/2010) should preferably obtain DSC with encrypted value of PAN. This is because the registration process and validation of DSC is simpler for the Income Tax Department. However, if an ordinary DSC is being purchased (after 01/08/2010) then it should be ensured that the Certifying Authority has mentioned your email ID in the Subject Name to ensure that validation for Individual DSC during registration does not fail.