



JOINT COUNCIL OF ACTION
INCOME TAX EMPLOYEES FEDERATION &
INCOME TAX GAZETTED OFFICERS' ASSOCIATION
A-2/95, Manishinath Bhawan, Rajouri Garden, New Delhi-110 027



Joint Convenors :

Rupak Sarkar
08902198000
itefcentral@gmail.com

Bhaskar Bhattacharya
08902198888
secgenitgoachq@gmail.com

No. N-1/2015-16

Dated: 17th March, 2016

To,
The Chairman
Central Board of Direct Taxes,
North Block,
New Delhi- 110 001

Sir,

Sub: The time limit for completion of assessments and re-assessments- matter regarding.

Kindly refer to the above.

The time limit for completion of assessments and re-assessments under Section 153/153B of I.T. Act or 17A of Wealth Tax had been advanced by 3 months vide Finance Act, 2016. The proposal for such advancement had been justified in the Explanatory Memorandum as follows:*so that the demand raised during a financial year could be collected in same year.* Needless to say, the rationale relied upon (as stated above) didn't withstand the test of time, as it failed to deliver the desired result. As a result, the time limit under section 153/153C, which was extended vide the Finance Act, 2009 was restored back to its original position (extending by 3 more months) vide Finance Act, 2012. But the restoration was done most unceremoniously without assigning any reason.

The time limit has once again been proposed to be advanced by 3 months vide the Finance Bill tabled by the Hon'ble F.M. on 29-02-2016. This time the reason given is as follows: *It is desirable that proceedings under the Act are finalized more expeditiously as digitization of processes within the Department has enhanced its efficiency in handling workload.*

First of all, an expeditious disposal can't be the sole reason for advancement of the Time-barring date of the Income Tax Department. An expeditious disposal of any Income Tax proceeding is always desirable but unlike processing, rectification or grievance redressal, that shouldn't be the sole criteria for Scrutiny Assessment. Scrutiny Assessment is the ultimate test for any taxman, be it for investigative skill, analytical acumen or judicial prudence; Scrutiny Assessment tests it all. So a quasi-judicial authority's independence shall not be compromised for the sake of expeditious disposal.

Digitization definitely brings in better transparency, better quality and promptness in data mining and above all, a feeling of much higher credibility, which happens to be a huge boost for the confidence of the taxpayers. But curtailing 3 months out of a period of 24 months hardly means anything for any assessee whereas it makes a big difference for a taxman, which is explained later. It should be appreciated that **to create an ideal non-invasive non-adversarial tax regime, it is the primary responsibility of every taxman to finalize every scrutiny proceeding by arriving at a logical conclusion to minimize further litigation.** In the name of expeditious disposal, an assessing officer can't be forced to take the recourse of protective additions.

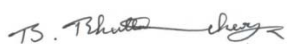
Besides, scrutinizing the pros and cons of advancement under the lens of technicality, it is pertinent to discuss the practical side of the story. It is fact that despite of the promises given, all India AGT orders are completed in the months of June- July or later in most of the cadres, which will be followed by local AGT orders. As being a sensitive department, officers are routinely being transferred after 2-3 years and hence, the AGT Orders of each year involve transfer of 33% to 50% of the total strength of officers & officials. So it takes at least August, if not September, for all the assessing officers including those transferred in (even by cross-country transfer) to settle. The month of September is the time for Audit, which is followed by the Festive Season in October- November all over India. So it is actually the month of December, when the authorized representatives start taking the proceeding seriously by filing the required submissions/ explanations. It may be appreciated that the pace of scrutiny disposal is equally dependent on the assesseees or their representatives, who use to start seriously complying from the month of December for the reason already discussed. Even the e-sahayog (online/ e-mail based compliance on the part of the assessee) is in its nascent stage and only the pilot project is being initiated and will take a long time to replace/reliance upon the conventional hearing. Under such a situation, advancement of T.B. date to 31st December may have a disastrous effect on the proper revenue collection of the Country.


Therefore, it is humbly requested to kindly consider the discussion above and impress upon the competent authority to allow the T.B. date to be restored back to 31st March in the Finance Bill, 2016.

This is for your kind consideration and necessary action.

Thanking you,

Yours sincerely,


(Bhaskar Bhattacharya)


(Rupak Sarkar)

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