



**CA. T.N. Raghavendra**  
President

**CA. Chandrashekara Shetty**  
Secretary

Date: 20<sup>th</sup> July 2017

To.,

Shri. Hasmukh Adhiaji  
Hon. Revenue Secretary  
Ministry of Finance  
New Delhi

**Respected Sir,**

### **MEMORANDUM REGARDING HARDSHIPS FACED IN AADHAR LINKING**

The Karnataka State Chartered Accountants Association (R) (in short 'KSCAA') is an association of Chartered Accountants, registered under the Karnataka Societies Registration Act, in the year 1957. KSCAA is primarily formed for the welfare of Chartered Accountants and represents before various regulatory authorities to resolve the professional problems faced by chartered accountants. We at KSCAA have been serving keenly our fraternity and public by having discussions with them and taking their issues and populating them before right forums in a selfless manner over the past six decades.

At the outset, we congratulate you on the firm steps taken by your government in curbing the ever-existing menace of black money through demonetisation and Aadhar based distribution model; further linking with PAN. As partners in nation building, we wholeheartedly welcome this move of the government and we pledge our unconditional support to make this initiative successful. Although this move has a lot of benefits in the long run, it has indeed caused certain inconveniences in the short run to the genuine income tax assesseees who are still unable to have their correction despite their best interests in timely tax compliance. And this may also have a cascading effect in the immediate and medium terms for tax collection due to *deferred tax return filings* by lot of assesseees who are unable to have the linking process completed for *genuine reasons*.

The objective of submitting this memorandum to your good office is to bring to your kind notice the hardships faced by the various assesseees and the possible remedial actions that can be taken by the government to mitigate the same.

#### **Issues & Solutions:**

##### **1. The Aadhar Card has year of birth and does not have the date of birth:**

Though there is an option enabled for linking of PANs where the year of birth only is specified, there are cases where the year of birth is totally wrong. There has been an anomaly in the Government data entry/ collection for Aadhar initially though it is quite obvious that the enrolling persons would have presented age proof and identity proof. Now to correct this in a



**CA. T.N. Raghavendra**  
President

**CA. Chandrashekara Shetty**  
Secretary

jiffy has been a daunting task especially with the kind of crowds the facilitation centers are having. This will definitely cause delay in tax return filings for the genuine assesseees who are unable to file for want of linking.

**2. Though online correction procedure is active and user friendly, sorting of 'Name in initials' has its own share of difficulty in updation due to non availability of documents/ Government Documents also having initials and no expansion.**

We have noticed that a lot of hardship and issues are being faced by a third of tax assesseees due to the Aadhar correction centers being fully crowded and unable to accommodate the corrections speedily and have asked the applicants to apply later and the hue and cry at the center has deterred many a genuine tax abiding assesseees to delay their correction requests.

**3. PAN correction taking about two months hitherto which was done within two weeks with good communication of process.**

The system was very quick and efficient prior to February of this year and the assesseees who applied for PAN whether new/ correction was immediately resolved within a matter of two weeks and was helping the cause of 'ease of doing business.' However, now the whole process is taking about two months, still there is no clear communication, which has delayed the entities like Partnership concerns and Sole Proprietary concerns too to obtain GST registration and commence their business and has hit the *Ease of Doing Business*.

**4. Genuine Assesseees requiring to file within due dates to avail the statutory benefits accorded by the Income Tax Act like Capital Gains exemption/Loss returns unable to file within due date due to non-linking now stand at risk of losing benefits.**

The above specified category of assesseees stand at risk of losing the statutorily available benefits and therefore being invalidated to claim the legitimate benefits for no fault of theirs who have the interest of earnest compliance just for the reason that the Aadhar card is not matching/ PAN is not getting updated within reasonable timeframe etc.

**5. Senior Citizens having health issues and not having Aadhar/ Aadhar not matching with PAN etc face inhuman hardships.**

Such senior citizens face tremendous difficulties to comply with the Aadhar and tax filing deadlines though they wish genuinely to comply with the Law of the Land.

**Possible Solutions:**

- Will it not be sufficient to mention Aadhar no in income tax returns and file the returns despite having Aadhar not linked to PAN for any of the reasons especially when the tax department has the necessary intelligence to manage this situation.**
- Will it not be sufficient to allow the assesseees to file tax returns by quoting the Aadhar application acknowledgement?**



# Karnataka State Chartered Accountants Association ®



CA. T.N. Raghavendra  
President

CA. Chandrashekara Shetty  
Secretary

- c. Since Aadhar cannot be duplicated, will it not suffice to mention Aadhar in PAN correction though documents do not have expanded name and negate the need for submission of proofs for new card/ correction in PAN?
- d. A bit of leniency on the initials etc will help a lot especially since the Aadhar cannot be duplicated. We wish to appraise about the demography of India which your goodselves are well aware and the constituency of Indian public many of whom are below the poverty line still do not have valid/ unaware of their birth dates, documents to such effect, qualification of SSLC/ documents not having dates and expansion of name. Would it not be sufficient to relax Aadhar where there is no expansion document or rather take it on self declaration procedure about expansion of name and date of birth? Can this Government trust its citizens this bit and join hands with the citizens especially when the common people are reeling under pressures of demonetisation and intermittent tax rate adjustment on account of GST?

*We appreciate the proactive and laudable steps undertaken by the Government and the political will shown by the Government! However, as a messenger of the tax assesseees and as a partner in Nation Building, we proactively play a balancing act between the Government and citizens and appraise both of them of the persistent issues and hardships faced, while giving sustainable solutions to overcome any glitches and help increase the tax base, efficiency and reach whilst seeking for a rational tax regime. In this endeavour we write this memorandum.*

*Hope to receive some clarification and support from your goodselves in easing the problems!!*

Thanking you,

Yours sincerely,

For Karnataka State Chartered Accountants Association ®

CA. Raghavendra T.N.  
President

CA. Chandrashekara Shetty  
Secretary

CA. Vijay Sagar Shenoy  
Chairman  
Representation Committee