



Since 1957

KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION (R.)



CA. CHANDRASHEKARA SHETTY
President

CA. CHANDAN KUMAR HEGDE A
Secretary

Date: 31st July 2019

To,

The Hon. Chief Minister Karnataka

Hon'ble Sir,

Sub: REPRESENTATION SEEKING EXTENSION OF TIME OF 'COMPREHENSIVE KARA SAMADHANA SCHEME 2019'

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 problems / hardships faced by chartered accountants and business community.

We congratulate and applaud The Government of Karnataka for introducing a 'Comprehensive Kara Samadhana Scheme 2019' with a view to substantially reduce the tax disputes. The Scheme covered various State tax laws and provided full waiver of Penalty and Interest for the cases whose assessment order is completed on or before 31st June 2019 and The Government was magnanimous enough to respond to our earlier request to extend this scheme further to 31st July 2019. This step will go in a long way while ensuring old disputed tax matters are settled in a smooth manner. This will not only benefit the dealers and assesseees but also government in it's time and effort to resolve the cases and in turn boost the tax collections.

With this backdrop, we have written to your good selves many a times populating various issues and possible solutions in VAT & GST. Your goodself would be aware about the GST hiccups being faced by the trade, industry and professional fraternity in terms of teething issues of filing returns in the backdrop of inadequate GSTN infrastructure, spate of frequent notifications and multiple due dates of monthly, quarterly and annual returns.

While 'Comprehensive Kara Samadhana Scheme 2019' is welcomed and well received by the trade, industry and professional fraternity who in general also wish to close out all pending tax

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disputes within the due date. However, the issues enumerated in the below mentioned clauses are causing great difficulty and hardship to the trade, industry and professional fraternity in adhering to the timeline for beneficially availing this scheme before 31st July 2019.

- A large number of taxpayers who wish to avail the benefit of this scheme have already replied to SCN and having received the acknowledgements, the assessment orders are still pending to be issued from department end. We appreciate the best efforts being put in by your department in processing the SCN replies as received from taxpayers; However it seems that the department is still short of required resources to process and clear such cases by issuing required assessment orders.
- We have come across various instances where the assessments or rectification proceedings are at various stages of assessment and are yet to be concluded within the timeline of 31st Jul 2019. These could be due to various reason like production of books, submission of records, issuance and reply to proposition notice and passing of assessment orders.
- This is particularly so in respect of assessments under CST Act, 1957, wherein the assessee is hard pressed to obtain various statutory form like C/F/H/I from third parties. Any amount of reminders from the dealers are not yielding the expected results thereby causing delay in submission of documents and completion of their assessment, effectively denying the benefits of the above scheme which was otherwise rightfully available to them.
- GSTR1, GSTR3B, GSTR-5, GSTR-6, GSTR-8, GSTR-5A and CMP 08 also had due dates falling between 10th July 2019 and 31st July 2019, clashing with deadline.
- Due date for Income tax return filing for individuals and firms without tax audit was originally 31st July 2019 and it got extended only during the last week of this month to 31st August 2019.
- Comprehensive Kara Samadhana Scheme 2019 inter alia covered all the cases where the assessment order is passed and demand notice is issued. However, some of the defaults like non filing of VAT 240, uploading of E-UPASS, delayed filing of returns is practically

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excluded due to non-issuance of notices thereby denying a golden opportunity to the dealers for wavier of penalty.

- For the quarter ending 30th June 2017, even assignments are not issued in majority of the cases thereby practically denying the availment of benefits of the scheme.
- In the cases where, the appeal orders were remanded back to the assessing officer to pass the revised assessment orders and issue revised demand notice, the time elapsed between the movement of time files the appeal office to assessing officer has robbed the opportunities of availing this scheme.

In view of the practical difficulties as cited above and to meet the ends of justice for the taxpayers who wish to avail the benefit of this scheme, we urge your good selves to extend the due date for availing the scheme to 30th September 2019. Please note that the extension upto 30th September 2019 would not incur any loss of revenue to the exchequer since the due date for payment of taxes fixed originally is 30th September 2019..

Yours sincerely,

For Karnataka State Chartered Accountants Association ®

CA. Chandrashekara Shetty
President

CA. Chandan K Hegde
Secretary

CA. Sateesha Kalkur
Chairman –
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