



**KARNATAKA STATE
CHARTERED ACCOUNTANTS ASSOCIATION (R.)**



CA Pramod Srihari
President
CA Vijaykumar M Patel
Secretary

Date: Tuesday, December 6, 2022

To,
Shri. Nitin Gupta,
Chairman,
Central Board of Direct Taxes.

Respected Sir,

SUBJECT: Representation on delay in processing of applications filed under Section 119(2)(b) of the Income-tax Act, 1961 and recommendation to introduce online measures

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. In the past, we have written to your good selves many times populating various issues, challenges and hardships being faced by taxpayers and suggesting possible solutions to the same. Through this representation, we would like to bring to your kind notice, a few practical issues being faced by taxpayers. For every issue, challenge or hardship highlighted, we have also suggested solutions to address them all.

Section 119(2)(b) of the Income Tax Act, 1961 ("the Act") acts as a last resort for the taxpayer's who, due to dire circumstances, may not have been able to comply with the laws as enshrined in the Act. With due approvals, the aforementioned section acts as a saviour by giving last opportunity to the assessee's to comply thereon.

We have request from our members that the following issues are being faced.

No. 67, 1st Floor, West of Chord Road, 2nd Stage, Mahalakshmpuram, Bangalore 560 086.

Phone : +91 80 2955 2155 | Email : info@kscaa.com | Website : www.kscaa.com



KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION (R.)



CA Pramod Srihari
President
CA Vijaykumar M Patel
Secretary

Considering the same, we have also suggested remedial actions, that needs your kind intervention:

1. Inordinate delays in processing the applications filed under Sec.119(2)(b)

We are experiencing severe delays in processing of the applications filed under Section 119(2)(b) of the Act before various authorities including the applications filed before the Board. Such delays have been noticed even in cases where the Board has, vide its order under the said section, directed to its Subordinate Officers to dispose of the applications within certain time limit.

This could be primarily on account of lack of coordination between the Assessing Officer ("the AO"), Joint Commissioner of Income Tax ("the JCIT"), Principal Commissioner of Income Tax ("the PCIT"), Chief Commissioner of Income Tax ("the CCIT"), Principal Commissioner of Income Tax ("the PcCIT") or the Board, as the case maybe.

Among other items, we wish to highlight the issues faced while processing such applications filed under section 119(2)(b) read with Circular 9/2015 [F.NO.312/22/2015-OT], dated 09.06.2015. Normally, the Assessee is required to file an application for it before the jurisdictional PCIT or the Board after considering the amount involved. Upon receiving the application, the concerned authority then forwards it to the Jurisdictional AO, through the office of JCIT, calling for a 'report'. The AO has to comply with this and in response to our application provides an opportunity of being heard. Upon our submission, the AO, if satisfied with respect to the cause/ genuine hardship, makes a recommendation to the PCIT/the Board to condone the delay, post which the delay in filing of returns is condoned.

No. 67, 1st Floor, West of Chord Road, 2nd Stage, Mahalakshmpuram, Bangalore 560 086.

Phone : +91 80 2955 2155 | Email : info@kscaa.com | Website : www.kscaa.com



KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION (R.)



CA Pramod Srihari
President
CA Vijaykumar M Patel
Secretary

We have noticed that subordinate authorities are not aware of applications filed before the concerned authorities (the PCIT/CCIT/PrCCT/Board) and do not initiate the proceedings unless a report is sought. The same remains unattended despite several reminders.

2. Introduce online filing of applications for condonation of delay

Considering that faceless/online measures have been introduced with respect to many proceedings under the provisions of the Act, the same may be considered even for or the above proceedings to bring about ease of doing business/tax compliance.

It is also important to introduce an online system of filing of such applications in addition to the online mode of conducting or processing the application, more so ever in view of the fact that many assessee's are located in remote locations and they may find it difficult to get it filed at the place where the prescribed authority is located and to further follow up to get the application processed.

3. Introduce online filing of applications for other approvals under the provisions of the Act

In addition to the above recommendation, we implore the Board to introduce online measures of accepting and conducting proceedings for various registrations/approvals under the Act namely under Section 34AB, 10(46), etc.

We are presenting before you the above-enumerated issues, challenges and hardships

No. 67, 1st Floor, West of Chord Road, 2nd Stage, Mahalakshmiipuram, Bangalore 560 086.

Phone : +91 80 2955 2155 | Email : info@kscaa.com | Website : www.kscaa.com



KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION (R.)



CA Pramod Srihari
President
CA Vijaykumar M Patel
Secretary

faced by the taxpayers, trade, industry and professionals due to lack of implementation of the provisions of the Act. Wherever required, we have also given recommendations for your kind consideration.

We the members of Karnataka State Chartered Accountants Association, on behalf of the entire Chartered Accountants fraternity and also on behalf of the trade and industry in the state of Karnataka appeal to your good selves to kindly consider our above recommendations on various issues populated as above. Implementation of the above suggestions will be a major step in the direction of 'Ease of doing business'.

Yours sincerely,

For Karnataka State Chartered Accountants Association ®

CA PRAMOD
SRIHARI
President

CA VIJAYKUMAR
M PATEL
Secretary

CA SIDDESH
NAGARAJ GADDI
Chairman
Representation
Committee

Cc to:

1. Smt. Nirmala Sitharaman, Hon. Union Minister of Finance and Corporate Affairs, Government of India
2. Dr. Bhagwat Kishanrao Karad Hon'ble Minister of State
3. Shri. Pankaj Choudhary, Hon'ble Minister of State for Finance, Government of India
4. Shri. Sanjay Malhotra, Hon'ble Revenue Secretary, Department of Revenue, Ministry of Finance, Government of India