



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



CA Pramod Srihari  
President  
CA Vijaykumar M Patel  
Secretary

Date: Monday, June 12, 2023

To,

The Chairman

Central Board of Direct Taxes

Respected Sir,

**SUBJECT: Representation on the delay in the issue of refunds under the provisions of the Income-tax Act, 1961 (the Act)**

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.

We wish to represent the grievances of taxpayers with regard to the inordinate delay in the processing/obtaining the refunds pursuant to the conclusion of the assessment proceedings, reassessment proceedings, rectification proceedings, the disputed settlement scheme Vivad Se Vishwas (VSV), and Order Giving Effect (OGE) passed pursuant to the orders of the Appellate authorities.



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### **Common grievances**

1. The process of obtaining the refund pursuant to the above is riddled with a lot of complexity and lack of transparency.
2. The NSDL website that displays the status of a refund is not giving a concrete update. Often, the Assessee is presented with a very vague/default response on the status of the refund, usually directing the Assessee to approach the jurisdictional assessing officer.
3. In most cases, we have also noticed that the attempt to disperse the refund has failed due to some error with bank validation though the same has been attended to by the taxpayers. Further, there are no clear guidelines with respect to the validation of bank accounts leading to a lot of confusion and inefficient use of resources. We implore your goodself to direct the authorities to provide a specific reason for the failed attempt to enable the taxpayers to attend the same.
4. The refunds pursuant to the returns filed u/s 119(2)(b) are not issued as we have been told that the Revenue Authorities do not get proper alerts from CPC upon filing said returns. The same, in most cases, are time-barred for processing thereby depriving the Assesseees of a genuine refund;
5. We are given to understand that the CPC is implementing robust CPC 2.0 and the same has also caused a delay in the issue of refund. In the meantime, we implore your goodself to make appropriate arrangements to disburse refunds.



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### **Refund-related grievances pursuant to the Appellate proceedings**

We request you streamline the above process of issuing the refund by making it seamless and faceless, especially in cases where the assessee has obtained favourable orders from the Appellate Authorities. Disposal of the same in time bound manner will also contribute to the objective of speedy justice and ease of doing justice. The delay in issuing the refund even long after the receipt of favourable order from the Appellate Authorities will frustrate the legal remedy provided under the Act.

### **Refund-related grievances pursuant to the Dispute Settlement Scheme**

The Dispute Settlement Scheme (VSV) was brought in to reduce the dispute and ensure certainty to the assessee. Even after various years of dispute settlement, the assessing officers have not passed OGE to VSVS orders/forms and thereby delaying the processing of refund due thereunder.

### **Refund-related grievances: Refund adjustments**

The delay in nullifying the demand and issuing the refund has resulted in a multiplicity of litigation, leading to an adjustment of refund of subsequent years against the demand of previous years. This is also causing a burden to the exchequer as it involves a refund of the amount due to the assessee along with interest.



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### **Faceless measures and other prayers**

1. While the refund process, for the income tax returns that are been filed, has been streamlined by a slew of measures taken to process the returns at a record speed, we also consider the same for the above petitions.
2. We request you to consider measures to make the procedure of refund without any human intervention by bringing it under a faceless regime. This can be attained when proceedings like rectification and OGE are also brought under the faceless regime.

### **Connected representations that need attention/action:**

We also wish to bring to your kind notice the representations made by our Association on previous occasions that are connected with the above issue and are pending action:

1. Representation and Suggestions on Income Tax outstanding Demand collection drive <https://kscaa.com/representation-and-suggestions-on-income-tax-outstanding-demand-collection-drive/>
2. Representation on delay in the processing of applications filed under Section 119(2)(b) of the Income-tax Act, 1961 and recommendation to introduce online measures - <https://kscaa.com/representation-on-delay-in-processing-of-applications-filed-under-section-1192b-of-the-income-tax-act-1961-and-recommendation-to-introduce-online-measures/>
3. Representation – Challenges in Certain Income Tax Provisions <https://taxguru.in/income-tax/representation-challenges-income-tax-provisions.html>

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



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We are presenting before you the above-enumerated issues, challenges and hardships faced by the taxpayers, trade, industry and professionals due to the delay in processing refunds. 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 suggestions. 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