



Since 1957

KARNATAKA STATE CHARTERED ACCOUNTANTS ASSOCIATION (R.)



CA Pramod Srihari
President
CA Vijaykumar M Patel
Secretary

Date: Monday, June 12, 2023

To,
Whosoever it may concern,
The Department of Stamps
Government of Karnataka

Respected Sir/Ma'am,

SUBJECT: Representation on challenges faced in registering Firms

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 various authorities many times populating various issues, challenges and hardships being faced by the business community, while also suggesting possible solutions to the same.

The Prime Minister, Shri Narendra Modi, said¹ that it is necessary to reduce human intervention in processes, and increase the use of modern and digital technologies. He said that a work culture based on this, will further promote policy driven governance.

Through this representation, we would like to bring to your kind notice, a few practical issues being faced by the community. These difficulties can have a significant impact on an individual's or organization's ability to incorporate, operate and achieve their goals. It is important to acknowledge these difficulties and work towards finding a resolution. This could include simplifying the process, grant of instant registration,

¹ 19 NOV 2018 8:09PM by PIB Delhi 'PM launches Ease of Doing Business Grand Challenge, addresses cross-section of Industry representatives'



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reducing wait times, elimination of human intervention and making it easier to navigate the requirements and procedures. For every issue, challenge or hardship highlighted, we have also suggested solutions.

1. The Indian Partnership Act, 1932 was enacted to define and amend the law relating to partnership. Section 58 of the Act contains detailed provisions relating to the Application for Registration and Section 59 of the Act contains the provisions relating to the grant of Registration by the Registrar on the satisfaction of Section 58.
2. In relation to this, the Department of Stamps and Registration, Government of Karnataka issued a circular dated 27.10.2017. This Circular directed all the District Registrars and Sub Registrars of the State to process the applications for registration and register online when the applications are submitted through the online portal (kaverionlinefirm.karnataka.gov.in). A copy of the relevant circular is enclosed herewith.
3. However, this circular is not followed in letter & spirit, and the concerned officials are finding ways to reject the application for want of jurisdiction. In some cases, the applications are just “under processing” – forever.
4. We also wish to highlight that the above applications are covered under the Flagship legislature of State Government of Karnataka ie the Karnataka Sakaala Services Act, 2011 amended in 2014. According to the this, the above applications are to be disposed off within 3 days from the date of filing – which is not being followed correctly thereby being in complete violation of the above provision of law.
5. We request your good selves to issue appropriate instructions to the officials to comply with the circulars and where needed, make appropriate changes/modifications in the software/website.



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We believe that by addressing these challenges and finding a resolution, we can create a more efficient and effective registration process that benefits everyone. We look forward to working with the relevant authorities to find a solution that addresses the difficulties in obtaining registration.

We are presenting before you the above-enumerated issues, challenges and hardships faced by the taxpayers, trade, industry and professionals due to lack of implementation of the provisions of the law. 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