



27th January, 2021 / 18522

To
Shri Amitji Jain, IRS
The Principal CCIT (Gujarat)
Aayakar Bhavan,
Ahmedabad

Respected Sir,

At the outset, we would like to appreciate and applaud the efforts of the Income Tax Department, Gujarat for envisaging the implementation of a non-adversarial and effective tax administration, with progressive tax policy and improved tax compliance. The critical steps taken by the department such as proper litigation management, frequent interaction with the taxpayers, issuing prompt clarifications and strengthening compliance and enforcement functions has enhanced the trust in tax authorities and are very well taken note of by the members of trade and industry.

We are writing this letter to your good self to highlight the issue pertaining to delay in granting approval to hospitals u/s 17(2) of the Income Tax Act, 1961 ("the Act") and this requires your urgent consideration.

The Section 17 (2) of the Income Tax Act, 1961 provides that the employees of any private employer/company get income-tax exemption on the reimbursement of their medical treatment expenses from their employer if the hospital is approved under the said Act. Further rule 3A of the Income Tax Rules, 1962 specifies the process and requirements to avail **exemption of medical benefits from perquisite value** in respect of medical treatment of prescribed diseases or ailments in hospitals approved by the Chief Commissioner.

Sir, it has been noticed in majority of the cases that inspite of submitting the application along with all the necessary requirements on time, the approval of the hospital under the said section of the Act is getting delayed beyond reasonable time. Even after submission of application, it has been noticed that the application is not getting forwarded to the concerned assessing officer to conduct inquiry and prepare report. Many assesses have even filed grievance at E-nivaran portal but the issue is still not getting solved. In today's pandemic situation wherein the medical staff are the real corona warriors, such delay from the department's end is not justifiable and we have to make sure that we support them in true spirit.

Natubhai Patel
President

Hemant N. Shah
Sr. Vice President

K. I. Patel
Vice President

Pathik S. Patwari
Hon. Secretary

V. P. Vaishnav
Hon. Secretary (R)

Sachin K. Patel
Hon. Treasurer



We request your good self to look into the matter urgently and issue some guidelines / Standard Operating Procedures ("SOP") so that such matters can be taken in a systematic manner with top most priority. This is in line with the department's service commitment towards providing quality, high-standard services, including mechanisms for grievance redressal. We will be happy to present ourselves for any explanation and clarification that may be required by your honour.

With warm regards,


Natubhai Patel
President


Jainik Vakil
Chairman, Direct Tax Committee

Natubhai Patel
President

Hemant N. Shah
Sr. Vice President

K. I. Patel
Vice President

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