



14<sup>th</sup> May, 2021 / 7205

To,

**Shri P C Mody**

**Chairman,**

Central Board of Direct Taxes

North Block, Central Secretariat

New Delhi - 110001

ગુજરાત વેપારી મહામંડળ

વહીવટી કાર્યરત

**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

## **Sub: Suggestions related to Direct Taxes**

Respected Sir,

### **Greetings from Gujarat Chamber of Commerce and Industry.**

Sir, we would like to draw your kind attention to some issues related to Direct Taxes which needs your urgent attention.

The issues along with our suggestions are listed below for your kind consideration.

### **Suggestions relating to Direct Taxes:**

- a) **High pitched Assessments:** In the cases of high-pitched assessments, the stipulation of blanket deposition of at least 20% of the income tax demand, should not be applicable and stay of demand ought to be granted to the tax payers, by the assessing authorities. This is because of the fact that even the deposition of 20% of the exorbitant and arbitrary income-tax demand in high pitched assessment cases, would result in a lot of **financial and other hardships** to the tax payers and would also make the right of their appeal totally meaningless and nugatory. This limit of 20% should be reduced to atleast 10% to avoid financial hardships to the tax payers.

Further a mechanism to be made wherein an application for granting appropriate relief in terms of absolute stay of demand and early fixation of appeal, may be filed before the "High Pitched Assessment Grievance Committee", which would give their decision on a case to case basis after giving a reasonable opportunity of being heard to the tax payer.





b) **Repetitive rejection of rectification of return u/s 154:** Even though the rectification request for income tax returns are rejected multiple times due to one or the other reasons, the rectification rights are not transferred to the jurisdictional Assessing Officer. This results in unnecessary hardships to the tax payers as they are unable to get the rectifications done in timely manner. We hereby request your good self that the rectification rights should be transferred to the jurisdictional Assessing Officer within 4 months post two times rejection of rectification requests, so that proper solution can be reached at the earliest.

c) **Notice u/s Section 148:**

As per section 148 (2) of the Income Tax Act, 1961, Assessing Officer shall, before issuing notice u/s 148 of the Income tax Act, 1961, record the reasons for doing so. Recording of reasons carefully is very important and the assessing officer has to be utmost careful while doing the same. Reasons recorded should be clear and unambiguous and should not suffer from any vagueness. However, it has been noticed that there is no proper check on the assessing officer and the notices are being issued arbitrarily and without any justifications. There are even instances where the assessment order u/s 143(3) is issued but without referring to the same, notices under 148 are being issued. To avoid the misuse of issuance of notices at the whims and fancies of the Assessing Officer, there should be a proper **NODAL OFFICER** to oversee the notices being issued. A proper checklist to be provided to the nodal officer and only once the nodal officer is satisfied, the notices u/s 148 to be issued to the taxpayers.

d) **Notices not received at principal email id:** The notices, under the Income Tax Act, 1961, being issued via e-mail, are not getting received by the taxpayers and most of the times the notices are sent on email to the old email address of the tax payers / consultants. The emails should primarily be sent to the latest updated e-mail id of the tax payer on the e-filing portal with a copy to the secondary email as mentioned by the tax payer. This will avoid the non-receipt of relevant emails at the tax payers end.

e) **Filing of return through legal heir:** The concerned legal heir has to register at the income tax website as a "legal heir" to be able to file the return of the deceased tax payer. The PAN of both the deceased person and legal heir should be registered in the e-filing portal. This is a very cumbersome process and should be made simpler. The legal heir should be allowed to be file the return of the deceased from his/her own e-filing portal by choosing a simple option of filing the return for some other PAN as a legal heir.

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# Gujarat Chamber of Commerce & Industry



Sir, we would be very grateful if your good-self would take an early action in this regard and consider our requests positively. This will be very useful for the taxation fraternity and also for the trade and industry. In conclusion, we request that suitable orders / clarification may be issued to this effect at the earliest.

With warm regards,

Natubhai Patel  
President

Jainik Vakil  
Chairman - Direct Tax Committee

**Copy to:**

Principal Chief Commissioner of Income Tax, Gujarat

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