

26<sup>th</sup> June, 2021/7391

To  
The Principal CCIT (Gujarat)  
Aayakar Bhavan,  
Ahmedabad

**Sub: Suggestions certain issues regarding High pitched assessments and Vivad se vishwas scheme**

Respected Sir,  
Greetings from Gujarat Chamber of Commerce and Industry (GCCCI).

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 presenting below a few points that require your urgent attention.

**A) High pitched Assessments:** Sir, it may be recalled that the 'High Pitched Scrutiny Assessments Committee' ("the committee") was set up pursuant to the solemn promise by Hon'ble Prime Minister Shri Narendra Modiji that Assessing Officers would no longer be allowed to run amok and hold taxpayers to ransom. On complaint made to the committee, they have to examine whether there is a prima facie case of high-pitched assessment, non-observance of principles of natural justice, non-application of mind, gross negligence or lack of involvement of assessing officer. *In line with the vision of Hon'ble Prime Minister Shri Narendra Modiji, "Honouring the Honest" while providing honest information to the income tax department, taxpayers also strive for the honest and correct response from the IT-department.*

The committee is also expected to ascertain whether the addition made in assessment order are not backed by any sound reason or logic, the provisions of law have grossly been mis-interpreted or obvious or well-established facts on records have outrightly been ignored.

**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



High-pitched scrutiny assessments not only lead to harassment of taxpayers but also leads to generation of unproductive work for department as well as appellate authorities. Hence this mechanism of raising a complaint against any high-pitched assessment order and the

committee taking proper action makes the income tax procedures fair, objective and rational.

**However, we have noticed now that the committee is dismissing the complaints raised by the taxpayers even without giving an opportunity of being heard. This defeats the very purpose for which the committee was formed and is also against the principles of natural justice. So, we request your good self to issue appropriate instructions that no complaint received by the committee can be dismissed without giving the tax payer an opportunity to present his case through hearing.**

Further to the above mentioned basis, Chamber is the bridge between stakeholders and the department. Following are the various concerns raised by members of trade and industry with respect to high pitch assessments:

1. How many applications received against High pitched assessment orders till date.
2. How many applications disposed of till date.
3. In how many cases the committee is convinced that order is high pitched assessments.
4. In how many cases opportunity of being heard has been given.
5. In high pitched assessment, how CIT(A) will be informed and for early hearing of such appeals what is the procedure adopted by the Department.
6. Which type of action is taken against such officers.
7. Whether action taken in such cases as per CBDT circular like, not precession such demand, transfer of such officer in non-assessment charge etc.

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.

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## B) Procedural issues under vivad se vishwas scheme:

The process of applying and getting benefit of vivad se vishwas scheme and issues arising are as under:

Form No.	Details of form	Time limit of submission and reply
Form-1	Declaration u/s 4(1) of the VSV Act, 2020	To be uploaded by an assessee who intends to declare income under VSV Scheme
Form-2	Undertaking u/s 4(1) of the VSV Act, 2020	
Form-3	(Determination of tax liability) Certificate u/s 5(1) of the VSV Act, 2020	Within 15 days from the date of receipt of above specified forms, the designated authority shall issue Form-3
Form-4	Intimation of payment along with proof of withdrawal of appeal for cases pending before the Income tax Appellate Tribunal, Hon'ble High Court or Hon'ble Supreme Court.	Within 15 days from receipt of Form-3
Form-5	order for full and final statement u/s 5(2) r.w.s. 6 of the VSVS Act, 2020	-

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*Even after filing form-1, form-2, payment of taxes as per form-3 and filing form-4 (i.e., intimating about the payment of taxes determined under form-3) form-5 are not getting issued to the tax payers. It causes anxiety to tax payers regarding approval of VSV scheme even after timely payment of taxes. Request you to have some mechanism in place for timely issuance of Form 5.*

We request your honor to consider this Memorandum favorably. We will be happy to present ourselves for any explanation and clarification that may be required by your honour. In case of any further information required, we will be grateful to meet you in person and discuss the issues in detail and it would be great support. This will be very useful for the taxation fraternity and also for the trade and industry.

With warm regards,

**Natubhai Patel**  
President

**Jainik Vakil**  
Chairman – Direct Tax Committee

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