



DIRECT TAXES PROFESSIONALS' ASSOCIATION

(Registered under Societies Registration Act, 1961. Registration No. S/60583 of 1988-89)

Ref. No. DTPA/Rep/23-24/01

22th January 2024

To,
The Hon'ble Finance Minister
Smt. Nirmala Sitharaman Ji
Ministry of Finance
North Block, Central Secretariat,
New Delhi 110001
fmo@nic.in

Respected Madam,

Subject: Representation regarding increase the threshold limit from Rs. 50 lacs to Rs. 1 crore for reopening of assessment for AY 2013-14, AY 2014-15 and AY 2015-16 and abolition of section 115BBE

We feel great pleasure to introduce our Association as one of the premier professional Association in Kolkata consisting of more than 1800 members comprising of Chartered Accountants, Advocates, Company Secretaries, Cost Accountants and Tax Practitioners. Our Association provides a forum for education, sharing of ideals & knowledge pool, sharpening skill & networking opportunities amongst professionals. It makes regular representations to various regulatory authorities, different departments/Ministries of Govt. of India and Govt. of West Bengal.

Direct Taxes Professionals' Association was established in the Year 1982 and has stepped into the 42nd year of existence with the motto "Gyaanam Ekyam Cha Nayartham" which means "Knowledge and Togetherness for Justice".

We regularly organise lectures, meetings and workshops apart from full day Conference and Annual Conference on topics of professional importance. For your kind information, the EIRC of ICAI has conferred us as the **Highly Commendable Study Circle of Eastern Region**.

We wish to bring to your notice a very pressing issue being faced by taxpayers with respect to reopening of assessments for the AY 2013-14, 2014-15 and AY 2015-16. The matter of concern relates to Section 148 of the Income-tax Act, 1961 ('Act'), which allows an Assessing Officer to issue assessment notices to taxpayers. **The assessments are to be made following the Section 147 to 151 of the Act.** The said sections were substituted with effect from 1st April 2021, which led to dispute on validity of such assessment notices issued during the time extended by Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act 2020.

The issue reached the Hon'ble Supreme Court in the case of Union of India v. Ashish Agarwal wherein it was held that the notices issued were deemed to be notice issued under the new law. The effect of the judgment was that the assessment continued even after the introduction of the

new law. To give effect to the judgment of the Hon'ble Supreme Court, the Central Board of Direct Taxes issued Instruction No 1/2022 dated 11th May 2022 ('Instruction').

The said Instruction while laying the manner in which judgment of the Hon'ble Supreme Court were to be implemented also framed procedure for the AY 2013-14, AY 2014-15 and AY 2015-16. It stated that where the income escaping assessment is less than Rs.50 lacs no notices under Section 148 of the Act could have been issued. This came as a relief for small taxpayers, reducing the burden on them from complying with the procedure and providing them a relief. **However, the threshold of Rs.50 lacs is too low and should be increased to Rs. 1 crore in order to provide effective relief to the small taxpayers.** It is would be pertinent to point out that lower segment of taxpayers is still reeling with the effects of COVID-19 and business uncertainty still continue for many. The concerned taxpayers affected in these proceedings are citizen of the country, mostly middle class and lower middleclass businessman. The move to increase the threshold would save them from frivolous litigation and unburden the courts from unnecessary appeals. Thus, an increase in the threshold from Rs.50 lacs to Rs. 1 crore would certainly help small taxpayers comply with law.

Therefore, it is an earnest request that the Instruction should be revisited and the threshold of Rs.50 lacs be increased to Rs. 1 crore so that the notices issued for AY 2013-14, AY 2014-15 and AY 2015-16 for small taxpayers are held not maintainable. It is humbly requested that this amendment could be announced in the upcoming Budget.

Secondly section 115BBE was inserted with the object of punishing the wrong doers under demonetisation period and the purpose has been already accomplished. Now the cases being subjected to this section are mostly re opened cases for which taxpayers are already facing a lot of difficulties and subjecting these additions to rigours of this section is worse than salt on the burn. Therefore, we request you to consider the above proposals and for this we would remain ever obliged to you.

We humbly request your honour to kindly consider the above representation as early as possible.

Thanking your honour in anticipation,

R.K. Agrawal

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The Principal Chief Commissioner of Income Tax, West Bengal & Sikkim