



**KARNATAKA STATE  
CHARTERED ACCOUNTANTS ASSOCIATION (R.)**



CA Pramod Srihari  
President  
CA Vijaykumar M Patel  
Secretary

Date: 19<sup>th</sup> September 2022

To,

Smt. Nirmala Sitharaman

Hon. Union Minister of Finance and Corporate Affairs

Government of India

Hon'ble Madam,

**SUBJECT: Grievances and suggestions with respect to the functioning of Demand Facilitation Center, CPC (DFC) in connection to the outstanding demand**

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 your good selves many times populating various issues, challenges and hardships being faced by taxpayers and suggesting possible solutions on the same. Through this representation, we would like to bring to your kind notice, a few practical issues being faced by taxpayers. For every issue, challenge or hardship highlighted, we have also made suggested solutions to address them all.

We laud the efforts of the government in registering steady growth in gross tax collections and the introduction of various taxpayer-friendly measures to reduce litigations. Despite the sincere, honest, and best efforts of the Revenue Authorities, we have witnessed delays in getting the outstanding demand nullified/rectified and/or obtaining a refund as may be due.

At this juncture, we wish to reiterate the taxpayer's charter that the Income Tax Department is committed to:

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Since 1957

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Secretary

### is committed to

- 1. provide fair, courteous, and reasonable treatment**  
The Department shall provide prompt, courteous, and professional assistance in all dealings with the taxpayer.
- 2. treat taxpayer as honest**  
The Department shall treat every taxpayer as honest unless there is a reason to believe otherwise.
- 3. provide mechanism for appeal and review**  
The Department shall provide fair and impartial appeal and review mechanism.
- 4. provide complete and accurate information**  
The Department shall provide accurate information for fulfilling compliance obligations under the law.
- 5. provide timely decisions**  
The Department shall take decision in every income-tax proceeding within the time prescribed under law.
- 6. collect the correct amount of tax**  
The Department shall collect only the amount due as per the law.
- 7. respect privacy of taxpayer**  
The Department will follow due process of law and be no more intrusive than necessary in any inquiry, examination, or enforcement action.
- 8. maintain confidentiality**  
The Department shall not disclose any information provided by taxpayer to the department unless authorized by law.
- 9. hold its authorities accountable**  
The Department shall hold its authorities accountable for their actions.
- 10. enable representative of choice**  
The Department shall allow every taxpayer to choose an authorized representative of his choice.
- 11. provide mechanism to lodge complaint**  
The Department shall provide mechanism for lodging a complaint and prompt disposal thereof.
- 12. provide a fair & just system**  
The Department shall provide a fair and impartial system and resolve the tax issues in a time-bound manner.
- 13. publish service standards and report periodically**  
The Department shall publish standards for service delivery in a periodic manner.
- 14. reduce cost of compliance**  
The Department shall duly take into account the cost of compliance when administering tax legislation.

We at KSCAA have worked closely with multiple stakeholders to understand the issues at hand, we have made efforts to consolidate the same and are enumerating the following issues and a few suggestions with respect to the operation of the Demand Facilitation Center, CPC (DFC)

#### **A. The primary reasons for the demand:**

1. Demand for old years, as appearing on the IT portal, should be backed by the order leading to such demand along with evidence of 'due process' being followed. It will enable the Assessee to take appropriate legal recourse. In many instances, even the Assessing Officer is not aware/is in possession of the cause of demand, leaving the Assessee remediless;
2. The Order Giving Effect (OGE), nullifying the demand has not been passed pursuant to the settlement under the Direct Tax Vivad se Vishwas Act, 2020 (VSVS);
3. OGE has not been passed pursuant to a favourable order of the Appellate

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