



GOVERNMENT OF INDIA
Office of the
Chief Commissioner of Income Tax
Hyderabad-1.
'B' Block, 9th floor, I.T. Towers,
A.C. Guards, HYDERABAD – 500 004.

F.No.CC/Tech-I/20/2013-14

dated 8th May, 2013

To

All Members
Regional Direct Taxes Advisory Committee
(RDTAC)
(As per list enclosed)

Madam / Sir,


Sub : Minutes of the Regional Direct Taxes Advisory Committee
(RDTAC) at Hyderabad held on 18.04.2013 – Forwarding of -
Regarding.

Kind reference is invited to the above.

02. I am directed to forward herewith a copy of the minutes of the meeting of the Regional Direct Taxes Advisory Committee (RDTAC), Hyderabad held on 18.04.2013 at Income Tax Towers, 10th floor, 'A' Block, for kind information.

Yours faithfully,

Encl : Minutes of the meeting.


08/05/13
(Dr. Amlan Tripathy)
Addl. Commissioner of Income-tax
(H.qrs) (Tech)-I,
O/o. The CCIT-I(CCA), Hyderabad.

Members:

S. No.	Name	Designation
1	Shri Bibhab Dutta, IRS	Chief Commissioner of Income-tax, Hyderabad-1, Chairman & Convener
2	Shri Koteswara Rao SSR	Chartered Accountant
3	Shri Gowra Srinivas	Representative of Trade
4	Shri Raj Kumar Agarwal	Representative of Industry
5	Shri Chakrapani	Representative of Bank

Co-opted Members:

S. No.	Name	Designation
1	Shri Suresh Jandhlaya, IRS	Chief Commissioner of Income-tax-III, Hyd.
2	Dr. P. Raghu, IRS	Director General of Income-tax (Inv.), Hyd.
3	Shri A K Behera, IRS	Chief Commissioner of Income-tax,-II, Hyd.
4	Smt. K. Mythili Rani, IRS	Commissioner of Income-tax (CO), Hyd.
5	Shri K. Harilal Naick, IRS	Commissioner of Income-tax-I, Hyd.
6	Shri Narahari Biswal, IRS	Commissioner of Income-tax-IV, Hyd.
7	Shri P. Sridhar, IRS	Commissioner of Income-tax-V, Hyd.
8	Shri U. Devi Prasad, IRS	Commissioner of Income-tax (A)-V, Hyd.
9	Shri P.V. Rao, IRS	Commissioner of Income-tax-VI, Hyd.
10	Shri A.K. Satapathy, IRS	Commissioner of Income-tax (Central), Hyd.
11	Shri Chitta Ranjan Pati, IRS	Director of Income-tax (Exemptions), Hyd.
12	Shri Atul Pranay, IRS	Commissioner of Income-tax (A)-I, Hyd.
13	Smt. Subashree Anantkrishnan, IRS	Commissioner of Income-tax (TDS), Hyd.
14	Smt. K. Kamakshi, IRS	Commissioner of Income-tax (A)-II, Hyd.
15	Shri Parneet S. Sachdev, IRS	Commissioner of Income-tax (A)-III, Hyd.
16	Smt. G.V. Hemalatha Devi, IRS	Director of Income-tax (Intelligence), Hyd.
17	Shri Srinivas Valluri, IRS	Director of Income-tax (Inv.), Hyd.
18	Shri K. Gnana Prakash, IRS	Commissioner of Income-tax (Audit), Hyd.
19	Smt. Vasundhara Sinha, IRS	Commissioner of Income-tax (A)-IV, Hyd.
20	Shri T. Venkat Reddy, IRS	Commissioner of Income-tax (A)-VI, Hyd.
21	Shri M. Ravindra Sai, IRS	Commissioner of Income-tax (DR)-II, Hyd.
22	Shri M. Jagadish Babu, IRS	Director of Income-tax (IT&TP), Hyd.
23	Smt. Pallavi Agarwal, IRS	Commissioner of Income-tax (A)-VII, Hyd.
24	Shri Rahul Kaul, IRS	Commissioner of Income-tax-III, Hyd.
25	Dr. Amlan Tripathy, IRS	Addl. Commissioner of Income-tax (Hqrs) (Tech.)-I, Hyd.
26	Shri T. Vijaya Bhaskar Reddy, IRS	Addl. Commissioner of Income-tax (Hqrs) (Admn.), Hyd.
27	Shri GSSS Gopinath, IRS	Addl. Commissioner of Income-tax (Hqrs) (Judl.), Hyd.

**MINUTES OF THE MEETING OF REGIONAL DIRECT TAXES ADVISORY
COMMITTEE HELD ON 18th April, 2013 AT
INCOME-TAX TOWERS, 10th Floor, 'A' BLOCK, HYDERABAD**

A meeting of the Regional Direct Taxes Advisory Committee (RDTAC) was held on 18th April, 2013 from 11.30 A.M. onwards, at the Conference Hall, Income-tax Towers, 'A' Block, 10th Floor, A.C. Guards, Masab Tank, Hyderabad as convened by the Income-tax Department, Hyderabad under the Chairmanship of the Chief Commissioner of Income-tax-I (CCA), Hyderabad.

The Meeting was attended by the following Members:

Members:

S. No.	Name	Designation
1	Shri Bibhab Dutta, IRS	Chief Commissioner of Income-tax, Hyderabad-1, Chairman & Convener
2	Shri Koteswara Rao SSR	Chartered Accountant
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5	Shri K. Harilal Naick, IRS	Commissioner of Income-tax-I, Hyd.
6	Shri Narahari Biswal, IRS	Commissioner of Income-tax-IV, Hyd.
7	Shri P. Sridhar, IRS	Commissioner of Income-tax-V, Hyd.
8	Shri U. Devi Prasad, IRS	Commissioner of Income-tax (A)-V, Hyd.
9	Shri P.V. Rao, IRS	Commissioner of Income-tax-VI, Hyd.
10	Shri A.K. Satapathy, IRS	Commissioner of Income-tax (Central), Hyd.
11	Shri Chitta Ranjan Pati, IRS	Director of Income-tax (Exemptions), Hyd.
12	Shri Atul Pranay, IRS	Commissioner of Income-tax (A)-I, Hyd.
13	Smt. Subashree Anantakrishnan, IRS	Commissioner of Income-tax (TDS), Hyd.
14	Smt. K. Kamakshi, IRS	Commissioner of Income-tax (A)-II, Hyd.
15	Shri Parneet S. Sachdev, IRS	Commissioner of Income-tax (A)-III, Hyd.
16	Smt. G.V. Hemalatha Devi, IRS	Director of Income-tax (Intelligence), Hyd.
17	Shri Srinivas Valluri, IRS	Director of Income-tax (Inv.), Hyd.

18	Shri K. Gnana Prakash, IRS	Commissioner of Income-tax (Audit), Hyd.
19	Smt. Vasundhara Sinha, IRS	Commissioner of Income-tax (A)-IV, Hyd.
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24	Shri Rahul Kaul, IRS	Commissioner of Income-tax-III, Hyd.
25	Dr. Amlan Tripathy, IRS	Add. Commissioner of Income-tax (Hqrs) (Tech.)-I, Hyd.
26	Shri T. Vijaya Bhaskar Reddy, IRS	Add. Commissioner of Income-tax (Hqrs) (Admn.), Hyd.
27	Shri G.S.S.S. Gopinath, IRS	Add. Commissioner of Income-tax (Hqrs) (Judl.), Hyd.

Other Members:

S. No.	Name	Designation
1	Shri M. Narayana Rao, IRS	Dy. Commissioner of Income-tax (Hqrs)(Tech.)-I, Hyderabad
2	Shri T. Muralidhar	Income-tax Officer (Hqrs)(Tech.)-I, Hyderabad

Shri Bibhab Dutta, Chief Commissioner of Income-tax (CCA), Hyderabad and Convener of the Committee, in his welcome address appraised the Members regarding the purpose of the meeting. The Convener informed that the meeting of the Regional Direct Taxes Advisory Committee (RDTAC) is required to be convened twice in a year, i.e., October and April. He also expressed happiness that the meetings for the year were held on time, namely, October, 2012 and April, 2013. The Convener also announced that it was decided to co-opt as Members the Commissioners of Income-tax (Appeals) posted at Hyderabad to help broaden the Membership and making the discussions more meaningful.

The Convener informed Members present that the two Members of Parliament nominated to the RDTAC could not make it to the meeting on account of unforeseen circumstances, even while they had confirmed that they would attend the same. Thereafter, the Convener announced the Agenda and explained the role and functions of the Committee in identifying the problem areas, as also to try and find acceptable solutions to the problems faced by the tax payers, so as to provide for a smooth and efficient administration of the Income-tax Act, 1961. However, it was emphasized that the Committee's recommendations would be only of advisory nature. He summarized that the mandate of the RDTAC as:

- (i) Developing and encouraging mutual understanding and cooperation between the tax-payers and the Income-tax Department; and

- (ii) Removing administrative and procedural difficulties of a general nature. The committee would be concerned with the problems of local interest, and would not take up individual matters for discussion.

The Deputy Commissioner of Income-tax (HQrs)(Tech.)-I, Hyderabad, gave a Power Point Presentation highlighting the Vision of the Department as envisaged in the Citizens' Charter. The performance of the Income-tax Department in A.P. Region was briefly highlighted. It was informed that the Department aspires to meet the broad time-lines set for delivery system of various key services as mentioned in the Citizens' Charter.

After the brief inaugural address and the presentation, the Convener opened the floor for a fair and frank discussion on the lines mentioned above.

The discussions were initiated by Shri Gowra Srinivas, Representative of Trade and also Member of Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Andhra Pradesh. At the outset, he thanked the Department for creating the interface of the RDTAC and giving tax-payers and their representatives a forum for interaction with the senior most functionaries of the Department. He also appraised Members present that a good number of issues relating to TDS, as had been discussed during the RDTAC Meeting of 31.10.2012 have been addressed. According to him, this was largely possible because of a number of meetings held by the Commissioner of Income-tax (TDS), Smt. Subashree Anatakrishnan, with the Members of Industry and Trade in FAPCCI. He also requested the Convener that a forum be created so that tax-payers, Members of Chambers of Commerce and Representatives of Industry interact with senior Departmental Officers on a continuous basis to help address difficulties faced by tax-payers. To this request, the Convener readily agreed, and it was decided that the Addl.CIT (Hqrs)(Tech.)-I O/o The CCIT-I (CCA), would coordinate with Members of FAPCCI and Senior Departmental Officers, so that the number of interactive sessions and meeting with FAPCCI could be held periodically, and any tax-payers' issues which may need discussion would be addressed.

The Representative of Trade, Shri Gowra Srinivas, thereafter raised the following points for discussion:

- 1) Problems faced at the Inward Counters: Shri Gorwa Srinivas discussed the problems faced at the Inward Counters, and mentioned that the persons sitting at the Inward Counters are misguiding the visitors on jurisdiction issues, and not accepting the documents as submitted. Further, he informed that the time for opening / closing of inward counters is not adhered to, causing avoidable inconvenience to the visitors. He further requested that the Department display the jurisdictional list at each counter at a prominently visible place. Among the suggestions offered by Sri Gowra Srinivas, it was suggested that the concerned staff at the Inward Counters may be instructed to accept all the documents and acknowledge the same. If by any chance, the jurisdiction of any of the documents was not immediately made-out, or

related to another jurisdiction, tax-payer could be intimated about the same for further action later-on. He also suggested that the jurisdictional list with Municipal Door Numbers, etc. be displayed at each counter prominently. He also requested that schedule of timing for opening and closing of the counter be adhered to.

Shri P.V. Rao, Commissioner of Income-tax-VI, Hyderabad, while responding to the issues raised by Shri Gorwa Srinivas has informed as under:

- a) Frequent change of jurisdiction by the assessee causes problems in verifying returns and accepting them at the counters. It has been noticed that, in several cases, the PAN has been obtained by the assessee from one Assessing Officer, the address of the assessee lies in the territorial jurisdiction of another Assessing Officer, while the assessee chooses to file his return of income with yet another Assessing Officer. This creates confusion about the correct jurisdiction of the tax-payer. The matter is confounded further when the tax-payer does not take a consistent stand in filing of returns for successive years, and may sometimes file in the same station with a different Assessing Officer, or worse, even change the station of filing.
- b) Though the tax-payers are required to update their addresses with the PAN data maintained by the NSDL, and file the returns with the jurisdictional Assessing Officer, it is noticed that they, invariably do not do this, and instead file returns before the Assessing Officers of their choice. Filing in the correct jurisdiction is absolutely necessary for meaningful and useful working of ASK.
- c) On there being a change of address, the tax-payer has to file the return of income, along with proof of address as mentioned in the return of income.
- d) It was clarified that the members of staff manning the ASK Centre have been instructed to accept all types of letters. However, the letters seeking adjournments, replies to penalty notices, filing of *vakalatnamas*, information relating to scrutiny proceedings and appellate proceedings, 15G and 15H declarations, petitions filed under RTI Act, etc. are not accepted at the ASK Inward Counters as they are time-bound matters, and are to be filed in the Inward Counter of the jurisdictional AO / Ranges for the sake of convenience and timely action.
- e) Jurisdiction Charts have been displayed prominently in the ASK centres, and also details of jurisdiction are available on the Departmental *website*. The same can be accessed by the tax-payer after entering the Permanent Account Number (PAN).
- f) The duties of inward acceptance have been assigned to the ASK Centre from 9.30a.m. to 4.00p.m. with a lunch break of half-an hour from 1.30 p.m. to 2.00 p.m. However, to facilitate the assessee who come during the lunch break, one or two staff members are made available to receive urgent letters during the lunch-break also.

- g) The Citizen's Charter is on display in most of the offices and the ASK Centre. However, steps will be taken to display the Charter in a more conspicuous way.
 - h) Regarding FAPCCI's suggestion that the Citizen's Charter be displayed at every Range Office, it was agreed that this would be done at the earliest.
 - i) It was also requested by Shri A.K. Behera, CCIT-II, Hyderabad and Shri P.V. Rao, CIT-VI, Hyderabad that, while filing the returns of income in bunches by the CAs on behalf of their clients, in most of the cases, correct PANs are not being quoted leading to confusion in the jurisdiction of the assesses. It was requested that any senior and responsible partner of the CA Firm may sign in token of having done the necessary verification *vis-à-vis* PAN, so that accepting bunches was easier and jurisdictionally correct. In response, Sri S.S.R. Koteswara has informed that the same will be looked into, and as far as possible the correct PANs quoted.
- 2) It was pointed out by the Representative of Trade that ever since the computerized on-line services have been made effective for filing of various returns, it has been noticed that, in certain cases and circumstances it has become a very confusing and cumbersome process resulting in delays and difficulties. For instance:
- a) In the case of a deceased assessee, whose return is to be filed by his/her Legal Representative with his/her own digital signature, quoting his/her PAN, difficulties are being faced by the tax-payers. Such returns are not accepted, and the response by Department is that persons coming to file are directed to call or enquire at various centers. If the date of such filing and the responses of the Department are on the last day of due date (for filing), then the situation is still worse, and the returns are getting delayed in filing. No simple and foolproof system appears to be in place.
 - b) Similarly, TDS returns are not rectifiable using online-services.
 - c) Issuance of unwarranted defective notices for short payments is a worry-some factor needing immediate solution.
 - d) Like-wise many other issues create problems because it is not necessary that everyone shall employ personnel having technical expertise.

In response, it was pointed out by the Commissioner of Income-tax (TDS), Hyderabad, that the issue of TDS returns not being amenable for rectification on-line, was taken up with the Directorate of Systems, New Delhi, and also was a matter for discussion during the last TDS conference. The CIT(TDS), further informed that while the facility of direct uploading is available once a digital signature is obtained by the DDO / PAO, the System Directorate informed that direct uploading without the digital signature is specifically prohibited in view of the requirement of authenticity, and is a part of the Security Protocol in place. Further, the CIT(TDS) informed that correction / rectification statements relating to on-line

TDS returns can be filed; however, at the present point in time, they cannot be viewed as the new TDS portal commissioned recently at Vaishali, Ghaziabad appears not yet to be fully functional.

On the matter relating to issue of "unwarranted" defective notices for short payments of TDS, and solution thereto, it was pointed out by the CIT(TDS) that such notices are technology-driven, and generated by the systems on the basis of data as entered by the deductors in the e-TDS statements filed by them. She also stated that necessary and due diligence on the part of the deductors while entering data will help mitigate the situation of such "unwarranted" notices.

As regards, the matter relating to filing of the returns by the Representative assessee, and other technical issues, it was assured by the Convener that education of tax-payers and tax-deductors is an on-going process and the Department is committed to such activities to allay the fears of tax-payers, and address the technical shortcomings.

- 3) It was pointed out by the Representative of Trade, Shri Gowra Srinivas that of-late, various grievances were aired by the assessee regarding arbitrary additions during assessments resulting in raising of huge demands. The aspects most agitated being:
- a) Addition of balances of trade creditors (though all trade transactions are accepted, but closing balances are treated as cash credits)
 - b) *Ad-hoc* disallowances.
 - c) Estimation on whimsical grounds ignoring actual facts.
 - d) Non grant of stay for such unduly raised demands etc.

It was suggested by the Representative of Trade that officers making high-pitched assessments resulting in high demands, cause undue hardship to the assessee, and responsibility should be fixed upon such officers. In response, the Convener informed that the mechanism of review of assessment work which is done at various levels will take care of such grievances in general. In respect of specific grievances, the assesses can always take such matter to the Range Head and the Administrative Commissioners who are sufficiently senior functionaries and have the necessary experience and expertise to help mitigate such situations. The Convener also pointed out that the assesses whose cases are taken up for scrutiny can also facilitate the assessment process by furnishing promptly the details / particulars called for by the Assessing Officers and by not seeking repeated adjournments. Regarding grant of stay, it was pointed out by the DGIT(Inv.) Dr. P. Raghu that there are elaborate instructions issued by the Board in the matter, and in any case, the stay petitions are disposed by the Authorities concerned after appraising the factual matrix, and taking a fair and reasonable view.

It was also informed by the CCIT-III, Hyderabad, Shri Suresh Jandhyala that assesses in default very often file stay petitions before different authorities and when a stay petition is pending for disposal before a Higher Authority, the Assessing Officer may not take coercive action. This creates inordinate delays in the collection of legitimate taxes.

- 4) It was pointed out by Sri Gowra Srinivas that issuance of refunds are delayed and often automatically adjusted against so called arrears which are unknown to the assesses. Similarly, TDS, advance-tax, etc. are not given credit for no fault of the assessees.

In response, Dr. Raghu, DGIT (Inv.), Hyderabad, informed that as of now, CPC cannot adjust arrear demands unless the Assessing Officer confirms the arrear. The Assessing Officers have been directed to reconcile the position of arrears in their records with the arrears position on the CPC Portal. The Assessing Officers have also been requested to issue notices before adjusting the refund against the arrears, if any pending.

- 5) It was pointed out by the Representative of Trade that the Commissioners of Income-tax (Appeals) were not taking up for disposal certain appeals even after two years from the date of institution of the appeal. In the absence of adjudication, the tax payers were put to hardship on account of recovery measures undertaken by the assessment units.

In response, it was informed by the by the Convener, CCIT-I, Hyderabad that the Board has decided that high demand cases be taken up earlier, and the pendency of such cases is high in the AP Region. It was pointed out by Dr. P. Raghu, DGIT (Inv.), Hyderabad that as of now all the vacancies in the cadre of CIT(A) have been filled up, and the rate of disposal is expected to be accelerated. The work of CIT(A) and the speed of disposal is being monitored by the Chief Commissioners / Director General and by the Board, and as such the grievances arising on account of the smaller appeals involving lesser amounts is likely to be addressed.

- 6) It was pointed out by the Representative of Trade that as assessments are resulting in heavy demands and it would be most desirable if stays are granted in all the disputed cases at least till the disposal of the first appeal. As a suggestion, the CBDT instruction for grant of stay in high pitched assessments should be implemented strictly. In response, it was pointed out by the Convener, the CCIT-I, Hyderabad that all earlier instructions of the Board have been superseded by the instruction No.1914 dated 02.12.1993, and all Departmental Officers are bound by it.

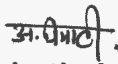
It was pointed out by Shri P.V. Rao, CIT-VI, Hyderabad that the Authorised Representatives seek time / take adjournments and actual compliance is there only towards the end of the financial year. In the event where the Assessing Officer is unable to verify the details, certain additions which appear to be high pitched are likely to be made. In response, Shri S.S.R. Koteswara Rao, Chartered Accountant stated that even though information was given well in time, the Assessing Officers were raising queries only towards the fag end of the time-barring period. There were long intervals between the hearings and final hearings were taken up only towards the end of the time-barring period. In response, the CCIT (CCA), Hyderabad has requested the Members to bring such specific cases to the notice of

the Range Head / administrative CIT. It was also informed that the assessing Officers would be advised to allow only two or three adjournments depending on the genuineness of the requests, and the assessments would be finalized thereafter.

- 7) It was further pointed out that the acknowledgement provided to the assessee for filing of return does not have a place for displaying exempted incomes like agricultural income. Similarly, there was no provision for disclosure of AIR information in the return of income filed by the assessee. Also, there was no provision for disclosure of income from different businesses separately to verify the accounting ratio for each entity.

In response, the Convener requested that necessary representation be moved on the matter by the representatives, so that these matters could be conveyed to the Board. It was further agreed that specific cases would not be mentioned in the document.

The meeting was concluded with a vote of thanks proposed by Dr. Amlan Tripathy, Addl. Commissioner of Income-tax (HQrs)(Tech.)-I, Hyderabad who thanked all members for making it convenient to attend the meeting and participating in the deliberations. These minutes are circulated with the approval of the Convener, RDTAC, Hyderabad.


(Dr. Amlan Tripathy)
Addl. Commissioner of Income-tax
(H.qrs) (Tech)-I,
O/o. The CCIT-I(CCA), Hyderabad.