

CBDT chairman questions delay in time-barred assessment proceedings

Updated at September 20, 2021 06:05 IST


The income tax (I-T) department has to dispose of over 35,000 cases, pending after search operations, by the end of this month. Since these cases are time-barred, they can't be reopened next month. Demand of around Rs 10,000 crore could be raised in these cases, according to people in the know.

In this connection, Central Board of Direct Taxes (CBDT) Chairman J B Mohapatra has questioned top officials of the investigation wing of the I-T department about piling up of such cases and also directed them to complete the assessment proceedings by September 30.

In a recent communication to the directorate general of I-T and chief commissioners, the CBDT chief said: "It is a matter of great concern to see the central charges (which deal with searches, investigation, seizures) lagging in phased disposal of time-barred assessment proceedings." Business Standard has reviewed the CBDT chairman's letter.

Citing the pending cases, Mohapatra noted only 1,749 orders had been issued by assessment officers until last week against total pendency of 37,103 with central charges and also pointed out that only 15 days remained in the statutory limitation period, before which they must complete the proceedings.

Section 153A (with respect to searches) allows I-T officers to go back up to six years to scrutinise the books of accounts of assessees. In some cases, it can cover assessment up to 10 years.



IN FULL SWING

- ▶ **CBDT chairman writes to** investigation wing of I-T dept
- ▶ **Asks to issue tax orders** in search matters by month-end
- ▶ **Raises concerns over lag in completing** such proceedings
- ▶ **So far, tax demand in 1,749 cases** have been raised against total pendency of 37,103

ILLUSTRATION: AJAY MOHANTY

PENDENCY LEADERBOARD

4,459 Kolkata	4,125 Chennai	2,902 Jaipur	2,491 Nagpur	2,311 Ahmedabad
-------------------------	-------------------------	------------------------	------------------------	---------------------------

Making Corporate India Comply

The letter further stated that central charges have been vested with the key responsibility of bringing to tax the income detected during intrusive search operations, and the success of search operations would be rendered futile if the I-T department failed to complete proceedings within a reasonable timeframe.

The delay would also undermine the deterrence created by search actions, the letter noted. These cases are being dealt with manually and have been kept out of the faceless assessment scheme, because of the sheer complexity of issues generally involved in these cases.

The CBDT chief further reminded tax officers that it was urged earlier this month that central charges ensure expeditious completion of pending assessment proceedings.

He also directed I-T officials to monitor the progress and completion of assessment proceedings daily and ensure that assessing officers dispose of these time-barred matters on a day-to-day basis to avoid any last-minute hurried approvals.

Mohapatra asked them to submit daily disposal figures to the CBDT.

Because of the pandemic, intrusive actions -- such as searches and survey verifications -- have slowed down. They are now done only in potentially high-revenue cases. These cases were to be disposed of by June 30 this year but the deadline for completing the assessment was extended by three months due to Covid.