



# Chartered Accountants Association, Surat

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Ref: CAAS/Representations/2021-22/09

Date: 30-03-2022

To,  
The Finance Minister,  
134, North Block,  
New Delhi - 110011

## Sub: Embracing Faceless Proceedings

Respected Madam,

At the outset we, being the representatives of stakeholders, would like to congratulate and thank the Finance Ministry for conceiving, implementing and operating the Faceless Proceedings (Assessments and Appeals) under the Income Tax regime. Not only it is a game changer, but backs the vision of corruption free India in a direct sense. Like an examiner who examines answer sheets of an unknown pupil of a Board Exams, without any discrimination as to caste, creed, gender, race, religion etc, the faceless proceedings augment these features with an additional feature relevant to Taxation viz. the Economic Status of the assessee.

We are glad, the Ministry had taken up an initiative, which is technology driven and forward thinking. We also observe that this initiative has not been taken positively by certain persons with vested interest who are not happy with faceless assessment/appeal proceeding. There



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appears to be frustration amongst group of such vested interest people. Due to this frustration, there is a conscious effort to discredit or jeopardize the faceless assessment proceedings time and again. The recent most examples are the passing of orders haphazardly at the fag end of the FY 2021-22, by some of faceless authorities so as to pressurize for returning back to the old system where there is no transparency.

Examples of defective orders under Faceless Proceedings are:

1. Less than 48 working hours' time given to reply lengthy questionnaire.
2. Documents, evidences, records submitted not examined or considered prior to passing the order.
3. Orders passed without application of mind
4. High pitched assessments completed without following principles of *audi alterem partem*
5. Reasons for reopening cases not supplied
6. The credit of the taxes paid reflected in 26AS are not given while determining liability for tax & interest.
7. The credit of taxes paid under Vivad Se Vivad Scheme are not given. Further, the interest waived under Vivad Se Vishwas Scheme is again charged.
8. Where original assessment was made under scrutiny, while undertaking re-assessment proceedings the original records are not verified while passing the assessment order.
9. Mathematical errors in Computation of Total Income.
10. The errors in the computation of the interest charged u/s. 234A/B/C.



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We also observe that the implementation of faceless proceedings is not only a means to exhibit transparency but also, in light of the freshly passed haphazard orders, it is also a tool to make the officials accountable for their wrong doings who have passed the orders without application of mind or with predetermined mind set, and has made every effort to fail the system. Thus, we hereby suggest that a proper system should be devised to make the tax officials accountable.

We therefore urge that the Ministry should look into the matter urgently to stop the rot which has set in again, and pass an appropriate blanket order for relief of those assessments/appeals where the wrong has been committed. Further we also request that punitive action be taken against those involved in the mischief to discredit and fail the novel and noble idea of Faceless proceedings.

Thanks & Regards,

For Chartered Accountants Association, Surat.

*Rasesh Shah*      *Lalit Hirpara*

President | Secretary

**Copy to: -**

(1) **Prime Minister,**

152, South Block, Raisina Hills, New Delhi - 110011

- for information and appropriate action

**CAAS**