

# Bombay Chartered Accountants' Society

20th June 2015

Dear Member,

**Sub: Representation on Erroneous tax computation – A.Y. 2011-12 & 2012-13**

It has been brought to the notice of the Society by few members that the Income Tax Department has shown mistakes in the tax computation of its orders u/s. 143(3) for Asst. Year 2011-12 (Transfer Pricing assessments) and for Asst. Year 2012-13 in the just concluded assessment season. We are also given to understand that upon confrontation, the AOs have accepted the mistakes and have informed the AR/ assessee to file a letter for rectification and had promised that they will be rectified immediately in the month of April, 2015 and the refund due will be granted. We further understand that such assessees have not received the refund till date. Interestingly, the typical errors made are:

- a) Charging interest u/s. 234B
- b) Charging interest u/s. 234D
- c) Reversal of interest granted u/s. 244A, etc.

We are also told that amount of the above errors just equals to the refund amount resulting in to Nil refund on record. The absolute amounts of such items charged are difficult to generate by any computer system and hence, it is apprehended that such amounts are not system generated, but manually entered. Such mistakes are strange and appear to have taken place only in refund cases. With this, we also understand that perception is being build-up in the profession that such so called mistakes are made to avoid showing any pending refunds in their records. If this is true, it is shocking.

The Society intends to take up this matter and make a representation at the appropriate level. For this, the Committee has decided to collect data initially from the core group members of the Society.

Therefore, we request you to please collate the data of your clients, who have faced such situations and suffered, in the following format and email to [km@bcasonline.org](mailto:km@bcasonline.org) / hand deliver to the Society.

Sr. No.	Name of Assessee	Date of order	Date of filing of rectification letter	Brief note on the mistake made in tax computation

It may be noted that depending on the data received by the Society, the Committee will proceed in the matter. For the purpose of keeping back-up in the Society's records, if needed, we may request you to provide requisite further information.

We are sure that you will extend full support in making a purposeful representation.

Thanking you,

For **Bombay Chartered Accountants Society,**

**Kishor B. Karia**                      **Sanjeev R. Pandit**  
**Chairman**                              **Co-Chairman**  
**Taxation Committee**