



From the President

Brothers and Sisters at the Chamber,

“Budgeting is not about limiting yourself; it’s about making the things that excite you possible”

— *Anonymous*

The most eagerly awaited fiscal event of the year 2021 is now behind us, but we are still analyzing and discussing it. On 1st February 2021, our Hon. Finance Minister presented the Budget 2021 before the Parliament. As mentioned by various experts, the Budget eschewed the temptation to reduce government spending and focused on getting the economy back on to a high growth trajectory. This action has been hailed as being praiseworthy and the capital markets, the barometer of global interest in the economy, if not its fiscal health, have not only approved of the policy of the Government but also appear to share the Government’s optimism for the future in the short to medium term.

I profess no competence to communicate with you on the Budget either from an economic or political point of view. Like all of you, I am a keen student of the Income-tax law. The Direct Tax proposals in the Finance Bill, 2021 show some megatrends which we should take note of and understand. Let me outline two of these in this communication:

Firstly, Faceless’ seems to be the new buzz word as far as the tax administration is concerned. It was assessments that became faceless in August 2020, just before Independence Day (13th August 2020) followed by appeals before the Commissioners of Income-tax (Appeals) becoming faceless (25th September 2020) which was followed by notification of the scheme for faceless penalty proceedings (12th January 2021). It is now proposed that proceedings before the Income-tax Appellate Tribunal (‘Tribunal’ or ‘TTAT’) be carried out without any ‘face to face’ interaction. I am of the view that as professionals, we should welcome the good facets of the proposal. This proposal helps us to focus on the quality of our communication (both oral and written) our ability to articulate the points of emphasis and save our travel time, in addition to mitigating many of the challenges of physical hearings like adjournments being taken, etc. We may at the same

time wish to draw attention of the administration that the expectations remain the same, and probably heighten from the representatives of the administration as well as from the Members that sit in judgment at the final fact-finding authority. We are unfortunately seeing society read and write less and less and the written word losing its credibility. The discernible drop in the size and quality newspaper and magazines is testimonial to this. Given this trend, one wonders, if 'faceless' proceedings with emphasis only on written submissions, that are not likely to be precisely written and even less likely to be carefully read, are something that we, as a society, are ready for. Perhaps the new education policy, properly implemented, will give birth to a new generation of discerning readers and writers, but by then, I at least may be long gone.

The second trend we see is that the Government feels that technology will come to the taxpayers' aid for undertaking all kinds of compliance and therefore, the compliance on taxpayers is gradually being increased. On the one hand, it must be said that processing of returns is being done quite fast and refunds are expeditiously being issued. On the other hand the requirements of Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) are increasing and becoming more complex by the day. Each succeeding year, these requirements become more onerous requiring taxpayers to seek external help in carrying these out. The increased compliance requirements may result in generation of employment for a class of professionals requiring knowledge of tax provisions and technology simultaneously, but, it needs to be thought through as to what complexity it creates for the medium sized and small sized tax payers and tax professionals. The present generation of taxpayers as well as professionals is relatively less comfortable with technology as is the present generation of tax administrators. Technology is relatively inflexible still. A small system change takes months to test and implement. It may be worthy exploring to see how the Government itself can provide taxpayers with technology that lessens their compliance burden. Sadly, it is to the contrary that we have seen notices from the TDS section asking for a lot of information, being issued to taxpayers in the recent past, without specifying as to what is the purpose of gathering the information. To point out, it is not easy to succeed in developing the compliance related technology. The fact is clearly however, undisputed that medium sized and smaller tax payers continue to be smothered under the TDS/TCS compliance burden. TDS and TCS may be tax gathering initiatives, but taxpayers are saddled with doing the Government's work, without credit and with constant threat of the dire consequences of a slip up in the compliance.

There are other macro issues we need to take note of, as far as the Finance Bill, 2021 is concerned, but maybe these can be discussed at another time...

As far as the Chamber's activities are concerned, we concluded the first online edition of 'The Dastur Debate Competition' on 30th January 2021. My grateful thanks to the Student Committee, the Judges and the participants for making this a success. The IT Committee also played a significant part in the smooth conduct of this competition. My grateful

thanks to the IT Committee also. We had 32 colleges from all over India participating which is a feather in the Chamber's cap.

On 6th February 2021. A very insightful workshop on the Direct Tax Proposals of the Finance Bill, 2021 was conducted by the Direct Tax Committee with CA Yogesh Thar and CA Gautam Nayak as speakers who succinctly analyzed the important provisions of the Bill and CA Kishor Karia as Chairman, gave his value-added comments. My kudos and gratitude to the distinguished trio and to the Direct Tax Committee for successfully conducting this workshop.

A workshop on the Indirect Tax Proposals of the Finance Bill, 2021 will be conducted on 9th February 2021, with CA S.S. Gupta providing his analysis.

We are about to enter this year's Refresher Course season. These courses would otherwise have been residential, but the pandemic has not completely left us yet and so, we are conducting these digitally / virtually. We will start with the Company Law Refresher Course from 12th to 14th February and 19th to 21st February 2021 followed by the Direct Tax Refresher Course from 11th to 14th March 2021 and complete the hat trick of refresher courses with the Refresher Course on GST from 9th to 11th April 2021. I request all the readers to please participate whole heartedly in these courses.

We are still not fully ready to either resume normal functioning of the Chamber's office or conduct physical meetings. We continue to monitor the pandemic situation as well as commuting possibilities carefully. As soon as we believe we can come back to normal working, we will. Till then, the office continues to remain open on Tuesdays and Fridays and meetings continue online.

This issue of the Journal is on analysis of the provisions of the Finance Bill, 2021. I thank the authors and the Journal Committee, for turning this issue out in such a short time. I am confident you all find this issue useful.

Let me end with the following quote that I have found to be quite useful:

"Be patient when you are frustrated. Be silent when you are angry. Be brave when you are confronted by challenges" – Dr. T. P. Chia

Yours sincerely

ANISH THACKER
President