Dear Chamber Family,

“A vacation is what you take when you can no longer take what you have been taking”

– Carl Wilson

A professional takes on multiple challenges on multiple fronts round the year. The brain remains occupied throughout the year analysing the implications of various developments in the professional world and trying to understand the impact on our clients and possible way out of some or the other challenges which the developments bring along. If we agree that the brain is the most effective machine that the God Almighty has blessed the mankind with, it is our bounden duty to ensure that the same is served with due maintenance break and oiling from time to time. The unwinding of a motor makes it function better and serve its master for longer duration. The month of May brings with it a possibility for all of us to take this well-deserved break and venture out to some destination of our choice where one would be able to get in touch with one’s best advisor – the self. Wishing a very Happy Vacation time to all the readers of the Journal.

The economic activities of the country are at a complete cross roads. While the GST collection for the April is the highest ever at 1.68 Lakh Crores and is showing some positive signals, the equity markets are experiencing a free fall showing the signs of retreat. The RBI has recently announced an increase in the repo rate after a long gap of nearly four years with the objecting of addressing the challenge of increasing inflation. This is going to have long term implication on the cost of production and in turn might also be counter-productive. It will be interesting to see as to what extent the RBI can balance between multiple challenges that it is posed with.

The activities of the Chamber continue in an effective manner. But at the same time, being mindful of the fact that this month will be a period of vacation we had slowed down just a bit to enable the members to enjoy their quality time with their family. The 45th RRC at Goa and the 15th RRC on International Tax at Aamby Valley has received very encouraging response from the members. In fact, the enrolment for the 45th RRC at Goa is already closed. The International Tax RRC is also getting booked very fast and is likely to be closed in few days. The Team Chamber expresses sincere thanks to all the delegates for the encouraging response and is thrillingly eager to cater to the educational hunger of the members in an effective manner. Meeting many of the friends and sharing ideas with them, not only for the
academic views but also on the way towards the life in general is something which really refreshes our members every year. We look forward to these two events and we are confident that both the events will get desired results. The papers for both the RRCs are about to be finalised soon and will be shared well in advance with the delegates.

The Chamber continues to join hands with sister organisations for carrying out the educational activities in a consolidated and meaningful manner. A joint programme of TDS and TCS has been planned on 20th May, 2022 with the IMC, BCAS and BCCI in a hybrid manner. The programme will have four panel discussions covering the entire gamut of the subject. All panels will have a perfect combination of representation from profession, industry and also the revenue officials. Charity is something which has been treated in the most uncharitable manner in last few years by the government for various reasons. The subject is always challenging and the complexities keep on multiplying year after year. With the idea of keeping the members abreast of the latest developments in this area, the Direct Tax Committee has planned two days Seminar on Charitable Institutions on 17th and 18th June. The coverage is exhaustive and faculty of great eminence have agreed to speak at this program. Members are requested to participate in these programs and take the optimum advantage of the same.

The Dastur Moot Court Competition is also all set to take place during the month of June. This year its going to be held in a hybrid form where the preliminary rounds will be held virtually, the semi final and final rounds will be in physical mode. We are glad that two of the sitting judges of the Hon. Bombay High Court have agreed to judge the final round of the competition. We have requested the Hon. Members of the Income-tax Appellate Tribunal to judge the semi-final rounds and are confident of getting their affirmation for the same. The Chamber continues to remain indebted to Shri S. E. Dastur for the much-required support for conducting the activities for the students in a very effective manner.

Reassessment is the most effective remedial measure available to the Income-tax department and the same has been used extensively over the period of past few years. Reassessment is in a way an exception to the fundamental rule that each proceeding shall have a finality. The subject has been a very interesting and equally challenging subject from time immemorial. The Finance Act 2021 made amendments in the Income-tax Act 2021 which had the effect of complete overhauling of the entire scheme of reassessment as provided in the Income-tax Act. Some of the age-old concepts like “reason to believe” has been given a go bye in the new scheme and also some time limits have been purported to be relaxed. We have greater significance on what constitutes information for the purpose of invoking valid reassessment. Of course the guidelines laid down by the Hon. Supreme Court has now been formally enacted and therefore is a statutory provision now. While some debate was possible as to whether the new scheme as enacted by the Finance Act 2021 worked to the advantage of the assessee or otherwise, the so-called advantage, if at all, seems to have considerably diluted when one looks at the subsequent amendments by the Finance Act 2022.

The Income-tax department somehow continued to issue notices u/s. 148 post 1-4-2021 under the earlier provisions and relying primarily on the timeline relaxation provided on account of Covid 19. Most of the High Courts found this incorrect and quashed the said notices with detailed analyses. However, as it is said the last laugh always remain with the King, the Hon. Supreme Court though accepted the
correctness of the judgment of the High Court, invoked the special powers available to it under Article 142 of the constitution and blessed about 90000 notices with a new lease of life, which were otherwise likely to be treated as invalid. It will not be appropriate for us to comment on the wisdom of the Supreme Court. However, one fundamental question is: can the revenue be permitted to take the advantage of its own interpretation error in relation to a provision which has been enacted by itself? Probably the Hon. Supreme Court had the larger national interest at the heart and therefore invoked the special powers. Anyways the ripples of the judgment are going to continue for a long time and many assesses who were otherwise going to go out of the reassessment at threshold will now have to formulate different strategy to defend their cases both on validity of reassessment notices and also the merits of the matters. This is going to keep the professionals sufficiently busy for months, or may be years, to come.

It is a matter of great coincidence that the Special Story for this month is on the very same subject of Reassessment provisions. The Chamber has the history of giving the best at the most appropriate time and the tradition continues with the present issue. The entire subject has been covered exhaustively in this month’s special story. In fact, the journal committee has also ensured to get the special article as a stop press article dealing with the impact of the judgment of the Hon. Supreme Court which has been delivered just before few days, on 4th May to be precise. We are extremely thankful to Senior Advocate Shri Saurabh Soparkar for writing this article in the shortest possible time despite of his extremely busy schedule. We are also grateful to all the learned authors who have contributed their valuable article on the subject. I am sure that the present issue will be a permanent reference material on the subject of reassessment for all the readers.

While we are talking about reassessment, I will be failing in my duty if I do not recognise and appreciate Senior Advocate Shri Ajay Vohra who dealt with this subject with amazing clarity at the Lecture Meeting held by the Pune Study Group and which was attended by almost 500 participants on 7th May, 2022. The meeting was very well received by the participants. The Chamber is indeed pleased to have probably the first programme on the subject after the pronouncement of the judgment by the Hon. Supreme Court. We are grateful to Shri Ajay Vohra for his timely contribution on the subject.

I wish all the members a very Happy family time during this month and at the same time, request them to get refreshed and charged up for the following months where challenges are waiting to welcome us. Of course, in between this, there are the RRCs of the Chamber which will be the perfect way for us to shift from vacation mood to work mode in the months to follow. Looking forward to meet many of the Chamber’s members at the events.

Looking forward to your suggestions for the activities of the Chamber and staying committed towards the same.

Stay Safe and Take Care

Yours sincerely,

KETAN VAJANI
President