

**Circular No. 8/2016**

**F.No.246/95/2013-A&PAC-I  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes  
\*\*\*\*\***

New Delhi, 17<sup>th</sup> March, 2016

**Subject:- Modification of Instruction 9/2006 – reg.**

Instruction 9 of 2006 lays down the guidelines and procedure for attending to Revenue Audit Objections. The Instruction inter-alia mandates the initiation of remedial action in case the Revenue Audit Objection is not accepted by the Department. The Board has considered the effect of such remedial action and its ultimate fate in appeal. Accordingly, to mitigate the effects of the Instruction, para 4 and para 5 of the Instruction are deleted with immediate effect and replaced by the following:

**4. Remedial Action:**

- (i) An Audit objection should be accepted and remedial action should be taken in a case where the audit objection relating to an error of facts or an issue of law is found to be correct.
- (ii) Appropriate remedial action should invariably be initiated within two months of the receipt of the Local Audit Report, and necessary orders should be passed within six months thereafter.
- (iii) Where the PCIT/ CIT does not accept the Audit objection, he may record his reasons for doing so and inform the AG accordingly within two months from the date of receipt of the LAR. No remedial action needs to be taken in such cases.

**5. Second appeal in cases involving Revenue Audit Objection:**

The adverse order of the first appellate authority in cases involving revenue audit objections should be carefully scrutinised by the PCIT/ CIT, and appeal should not be preferred if the order is justified either in law or on facts. Reasons for not filing appeal may be recorded by the PCIT/ CIT.

  
(J.K. Chandnani)  
US (A&PAC)-II,  
CBDT, New Delhi.

Copy to:

1. The Chairman, Members and officers of the CBDT of the rank of Under Secretary and above.
2. OSD to Revenue Secretary.
3. All Pr. Chief Commissioners of Income-Tax & All Directors General of Income-Tax with a request to bring to the attention of all officers.
4. The Pr. Director General of Income-Tax, NADT, Nagpur.
5. The Pr. DGIT (Systems), ARA Centre, Jhandewalan Extension, New Delhi.
6. The Pr. DGIT (Vigilance), New Delhi.
7. The ADG (PR, PP & OL), Mayur Bhawan, New Delhi for printing in the quarterly tax bulletin and for circulation as per usual mailing list (100 copies).
8. The Comptroller and Auditor General of India (40 copies).
9. The ADG-4 (Systems) for uploading on ITD website.
10. Data Base Cell for uploading on irsofficersonline.
11. Guard file.



(J.K. Chandnani)  
US (A&PAC)-II,  
CBDT, New Delhi.