

Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

North Block, New Delhi, the 12<sup>th</sup> of February, 2018

**Subject: Conduct of Assessment Proceedings in scrutiny cases electronically-regd.-**

Sub-section (23C) of Section 2 of the Income-tax Act, 1961 (Act), applicable from 01.06.2016, provides that "hearing" includes communication of data and documents through electronic mode. Accordingly to facilitate conduct of assessment proceedings electronically, vide letter dated 23.06.2017, in file of even number, Board had issued a revised format of notice(s) under section 143(2) of the Act. Para 3 of these notice(s) provided that assessment proceedings in cases selected for scrutiny would be conducted electronically in 'E-Proceeding' facility through assessee's account in E-filing website of Income-tax Department.

2. In accordance with the procedure outlined in revised 143(2) notice(s) for conduct of assessment proceedings electronically, it is hereby directed that except for search related assessments, proceedings in other pending scrutiny assessment cases shall be conducted only through the 'E-Proceeding' functionality in ITBA/E-filing. However, in cases where the concerned assessee objects to conduct of assessment proceedings electronically through the 'E-Proceeding' facility, such cases, for the time-being, may be kept on hold.

3. Further, considering the situation that some of the stations have limited bandwidth, being VSAT stations and stations with limited capacity where bandwidth is in the process of being upgraded, it has been decided that till 31.03.2018, such stations, in accordance with target stipulated in Central Action Plan for financial year 2017-18, may undertake and complete only ten percent scrutiny cases (which are getting barred by limitation on 31.12.2018) having the potential to effect recovery during the current year itself. The list of such stations shall be specified by the Pr. DGIT(Systems). Accordingly, at these stations, till 31.03.2018, the assessment proceedings in cases to be completed as per Central Action Plan target, may be conducted manually if e-assessment is not possible. It is reiterated that at other stations covered under para 2 above, subject to exceptions mentioned therein, the assessments would be conducted electronically only.

4. Some of the important procedural aspects while conducting assessment proceedings through 'E-Proceeding' are as under:

**4.1 Enquiry before assessment in electronic mode:** For enquiries before assessment in terms of section 142(1)(ii) of the Act, notice shall be issued electronically and delivered upon the assessee in his 'E-Filing' account. While filing the response electronically in compliance with notice under section 142(1)(ii) of the Act, the concerned assessee shall verify it in the manner prescribed under Rule 14 of Income-tax Rules, 1962.

**4.2 Use of digital signature by Assessing Officer:** All departmental orders/communications /notices being issued to the assessee through the 'e-Proceeding' facility are to be signed digitally by the Assessing Officer.

**4.3 Time for compliance:** Online submissions may be filed till the office hours on the date stipulated for compliance.



**4.4 Availability of facility for electronic submission of documents in time barring situation or where case has been finally heard by the Assessing Officer:** The facility for electronic submission of documents through 'E-Proceeding' shall be automatically closed seven days before the time barring date. In other situations, upon completion of proceedings, before passing the final order, concerned Assessing Officer, on his volition, shall close the e-submission facility after mentioning in electronic order sheet that 'hearing has been concluded'. However, if required, in exceptional circumstances, the concerned Assessing Officer may enable further filing of submissions electronically under intimation to the Range Head in ITBA.


**4.5 In assessment proceedings being carried out through the 'E-Proceeding' facility, a particular proceeding may take place manually in following situation(s):**

- i. where manual books of accounts or original documents have to be examined;
- ii. where Assessing Officer invokes provisions of section 131 of the Act or a notice is issued for carrying out third party enquiries/investigations;
- iii. where examination of witness is required to be made by the concerned assessee or the Department;
- iv. where a show-cause notice contemplating any adverse view is issued by the Assessing Officer and assessee requests for personal hearing to explain the matter.

**4.6 Maintenance of 'Record' in the context of 'E-Proceeding':** In cases being assessed through 'E-Proceeding', from now on, as far as possible, case-records as well as note sheet of proceedings shall be maintained electronically.

5. This instruction may be brought to the notice of all concerned for immediate compliance.

6. Hindi version to follow.



(Rohit Garg)

Director (ITA.II), CBDT

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3. Chairman, CBDT & All Members, CBDT
4. All Pr.CCsIT/ Pr.DsGIT
5. ITCC Section
6. O/o Pr. DGIT(Systems) for uploading on official website
7. Addl. CIT (Database Cell) for uploading on departmental website



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