

**F.No. 225/53/2018/ITA.II**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Direct Taxes**

North Block, New Delhi, dated the 28<sup>th</sup> of March, 2018

**To**

**All Principal Chief-Commissioners of Income-tax**

Sir/Madam,

**Subject: - Processing of returns under section 143(1) of the Income-tax Act which are pushed to the Assessing Officers by the CPC-reg.-**

Section 143(1D) of the Income Tax Act, 1961 (Act) was brought in the statute from 01.07.2012 which provided that processing of the returns shall not be necessary where a notice u/s 143(2) of the Act has been issued. The provisions of section 143(1D) were subsequently amended vide Finance Act 2017 with effect from 01.04.2017 by inserting a proviso which states that provisions of this sub-section shall cease to apply to returns furnished for Assessment Year 2017-18 and onwards.

2. Thus from Assessment Year 2017-18, discretion of Assessing Officer in processing returns under scrutiny has been completely removed and therefore, all returns have to be processed as per provisions of section 143(1) of the Act. This is irrespective of the fact whether in cases under scrutiny, the Assessing Officer is contemplating taking recourse under section 241A of the Act to withhold the refund so arising on ground of concern for recovery of revenue.

3. The CBDT has launched software for processing of returns on Income-tax Business Application (ITBA) which has been functioning since 31<sup>st</sup> October, 2017. The returns pushed to the Assessing Officer for processing by the CPC are required to be processed electronically on the ITBA. However, in exceptional circumstances, whenever returns cannot be processed because of technical difficulties in functioning of ITBA, in order to provide an uninterrupted taxpayer service, the Assessing Officer can also manually process the return that is pushed to them by the CPC with prior administrative approval of Pr. CIT. However, before taking up the return for processing manually, the difficulty being faced in processing the return electronically on ITBA on a case to case basis would be referred to the Pr. DGIT (System,) who shall satisfy himself that due to technical difficulties the return cannot be processed electronically on ITBA

within a reasonable period & thereafter, permit manual processing in that case. However, in all such cases, the Assessing Officers have to mandatorily upload the same in the system.

4. To avoid any arbitrariness, the returns of Assessment Year 2017-18 and onwards which are pushed by the CPC to the Assessing Officer for processing, as far as possible, shall be handled in a chronological manner.

*Rajarajeswari R.*  
(Rajarajeswari R.) 8/3/18  
Under Secretary-ITA.II, CBDT

**Copy to:**

- i. Chairman and all Members of CBDT
- ii. All Officers and Technical Sections of CBDT
- iii. ITCC Division of CBDT (3 copies)
- iv. Pr. DGIT(Systems) for effecting necessary changes in Systems functionality
- v. Database Cell for uploading on IRS Officers website
- vi. Guard File

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(Rajarajeswari R.)  
Under Secretary-ITA.II, CBDT