

F.No. 225/363/2017-ITA.II
Government of India
Ministry of Finance
Department of Revenue (CBDT)

North Block, N.Delhi, dated the 15th of November, 2017

To

All Principal Chief-Commissioners of Income-tax/All Principal Directors-General of Income-tax

Sir/Madam,

Subject: SoP for issue of notice u/s 142(1) of Income-tax Act in cases related to substantial cash deposit during the demonetisation period-regd.-

On the basis of data analytics and information gathered during the first phase of online verification under 'Operation Clean Money', a list of assesseees who had deposited substantial Cash in bank account(s) during the demonetisation period (8th November, 2016 to 30th December, 2016) but have not yet filed Income-tax return for Assessment Year 2017-2018 till date has been generated for further follow up action by the Income-tax Department.

(2) The list of such Non-Filers of income-tax returns is being made available in a phased manner to the jurisdictional income-tax authorities in AIMS module of ITBA under "Notice u/s 142(1) for AY 2017-18".

(3) These cases would be handled as per the following Standard Operating Procedure ('SoP'):

(i) While Government PANs (using 4th character) have not been flagged in the list, it is possible that a particular PAN might pertain to an entity which is not obliged to file the return (e.g. CSD Canteens, Army Hospitals etc.). Such cases should be marked as "No Return Required" by using the functionality provided in AIMS module of ITBA by the concerned Assessing Officer.

(ii) Thereafter, in remaining cases under "Notice u/s 142(1) for AY 2017-18", the jurisdictional Assessing Officer shall issue notice u/s 142(1) of the Income-tax Act, 1961 ('Act') to the concerned assesseees for filing return of income for Assessment Year 2017-2018.

(iii) To facilitate service of notice, information regarding addresses in PAN database and earlier ITRs is available in ITBA portal.

(iv) The notice should be generated through the ITBA System only.

(v) Notice u/s 142(1) shall be issued electronically as well as through postal authorities. The evidence of service of notice as well as postal remarks (in case of return of notice) should be preserved carefully. Where notice could not be served either electronically or through the postal authorities, then, personal service through departmental ITIs/Notice-servers should be made.

(vi) In cases where difficulties are faced in service of 142(1) notice, ITIs may make local enquiries to trace the concerned assessee and serve the notice upon him. As a final alternative, as far as possible, notice by affixation with due procedure should also be done. In all cases of affixation, information should be captured in the system by selecting the appropriate option in ITBA. However, where notice could not be served even by affixation because of fictitious/non-existent address, this information should also be captured in the system against the appropriate option available in ITBA.

(4) All information regarding date(s) of service of notice u/s 142(1) upon the addressee has to be captured using the functionality provided in ITBA for this purpose. The process of service of notice under section 142(1) should be completed by 31st December, 2017.

Ankita
15.11.17
(Ankita Pandey)

Under Secretary-ITA.II, CBDT

Copy to:-

1. Chairman, CBDT & All Members, CBDT
2. JCIT (Database Cell) for uploading on departmental website