

Government of India  
Ministry of Finance  
Central Board of Direct Taxes  
National e-Assessment Centre  
New Delhi

Dated:19/11/2020

Subject: SOP for functioning of Review Unit (RU) under the Faceless Assessment Scheme, 2019.

The Principal Chief Commissioner of Income Tax, National e-assessment Centre, with the prior approval of the Central Board of Direct Taxes, New Delhi, lays down the following SOP on the above subject:

**A: Handling of case received for Review**

- 1 On allocation of case to RU, the RU is mandated to examine and verify if proper enquiry/verification has been done with respect to the issues/scenarios on the basis of which the case has been selected for limited/full scrutiny.
- 2 The RU shall examine the case records to ascertain: -
  - a. Whether the relevant and material evidence to support the modification of income proposed by AU has been brought on record;
  - b. Whether the issues on which addition or disallowance ought to have been made have been duly verified;
  - c. Whether the relevant points of fact and law have been incorporated in the draft order;
  - d. Whether the submissions and arguments of the assessee have been duly considered and rebutted
  - e. Whether the judicial decisions brought on record have been considered and applied in the draft order.
- 3 The RU is also mandated to verify and check the arithmetical correctness of modifications proposed.
- 4 In complete scrutiny cases, the RU must verify that all relevant issues that arise from the record have been examined. And all additions to income or disallowances warranted by the facts on record have been made in the draft assessment order.

- 5 The RU shall also examine and comment whether the order contains any frivolous and high pitched disallowances or additions to income.
- 6 If the facts on record so warrant then the RU may give suggestion for improvement of the contents of the order so that the draft assessment order is complete and self-explanatory.
- 7 Review report should generally be disposed off on First-In First-Out basis.
- 8 The Review report may be ideally sent to the AU within 15 days of its receipt. The time may be restricted, if the time barring date so demands.

**B : Procedure for seeking clarification from AU**

1. In case of any ambiguity the RU may seek clarification from the AU. However, it should try to seek all clarifications through a single communication so as to avoid any delay in review process. It may provide the AU time of 3-4 days to respond.
2. Unnecessary clarification on facts/information which are available on record should not be called from the AU.

**C: Preparation of Review Report**

1. Review Report should be concise, specific to the point, speaking and self-contained.
2. Vague and impractical suggestions, which are difficult to implement by the AU/VU should not be made in the report.
3. It may be kept in mind that the case shall be transferred to a new AU if any suggestion for modification is made in the report. Hence frivolous suggestions which do not have much effect on quality of case should be avoided.
4. Any suggestion for modification by RU having potential impact of Rs.1 Crore or more on taxable income of the assessee vis a vis income determined by AU in draft assessment order should be issued only after obtaining prior approval of the Pr.CIT(RU).