

FAQs on SOP for AU/VU/TU/RU

S No	Issue in the query	Response
1.	What is the applicability of SOPs for AU/VU/TU/RU issued by NeAC/NaFAC prior to 3 rd August 2022?	SOP for AU/VU/TU/RU dated 3 rd August 2022 overrides all other SOP for AU/VU/TU/RU issued earlier by NeAC/NaFAC.
2.	What is the scope of Physical Verification by VU under Para B.3 of SOP for VU?	Para B.3 of SOP for VU refers to physical verification, regardless of the presence of digital footprint. This means physical verification may be done in respect of 'any other person' or the 'assessee'.
3.	How to generate notice on Insight to 'any other person' where no digital foot print is available, as email id field is mandatory?	Where VU is required to issue notice through Insight, to 'any other person' where no digital foot print is available, following email ID may be used to generate the notice: ndfp.nafac@incometax.gov.in
4.	Whether VU can change mode of compliance (email/ speed post) of notice u/s 133(6) in Insight Portal?	Where VU issues notice u/s 133(6) through Insight, the mode of response must be changed. There is space for adding free text in the notice. Mode of response by email or speed post should be mentioned alongwith VU's email ID and address for communication.
5.	Whether AU can mark references to VU for service of notices u/s 142(1) or SCN in non-responsive cases of assessee?	No. As per the SOP for AU dated 3 rd August 2022 Para D.3 deals with action to be taken where there is no response to the initial notice u/s 142(1) within the compliance date. Further Para G.3 refers to the Centralized communication to improve compliance of 142(1).
6.	Whether AU can mark references to VU for service of notices issued to 'any other person', which have not been responded to?	No. As per the SOP for AU dated 3 rd August 2022, Para J refers to only 3 instances where reference can be made to VU. This does not include service of notice. However, where the PCIT of the AU approves, AU may make a reference for verification to VU, under Para J.1.2. AU may seek any such verification mentioned in Para C of SOP for VU. VU.

7.	What action should VU take in the cases where approval of PCIT of the AU is missing in the reference?	Requirement of approval of PCIT of the AU in instances falling under Para J.1.2 and J.1.3 is mandatory. Any such reference, not communicating the approval of PCIT of the AU, may be returned with the remark "PCIT approval required, but not communicated". Mention of approval of the PCIT of the AU (indicating the date and time of approval obtained through email) in the reference would suffice.
8.	Whether only one SCN is sufficient for assessment to be completed ex-parte u/s 144?	No. Sec 144B mandates issue of SCN: <ul style="list-style-type: none"> • Under Section 144B(1)(ix) - Issue of SCN u/s 144 • Under Section 144B(1)(xii)(b) – Issue of SCN where any variation prejudicial to assessee is proposed.
9.	What should be done if due to any technical reasons the time provided to the assessee to respond falls short of the time mentioned in the SOP?	To meet the ends of principles of natural justice, if due to any technical reasons the time provided to the assessee to respond falls short of the time mentioned in the SOP, the AU may give additional time to comply, subject to the overall time barring date.
10.	Issue relating to withholding of refund u/s 241A	Para S.1 of the SOP for AU deals with the role of AU with reference to Sec 241A. It has been stated in Para S.1.4 that the power to withhold refund till the date of assessment vests with JAO. Further, Para S.1.2 requires that communication on the matter with respect to therelevant AY be made by the AU with the approval of the PCIT of the AU.
11.	How to handle cases where provisions of GAAR are to be invoked by AU?	Cases where provisions of GAAR are proposed to be invoked may be referred to NaFAC for transfer out to JAO u/s 144B(8).
12.	What needs to be done in cases of NRI, Search & Seizure, Survey or partly set aside?	Such cases are to be transferred out of faceless u/s 144B(2). Pending deployment of functionality on ITBA, following process is to be followed: <ul style="list-style-type: none"> • The list of cases must be duly verified by PCIT of the AU, and

		<ul style="list-style-type: none"> The proposal is to be sent from the designation based email of PCIT of the AU, only to the following email ID: delhi.dcit2.2.neac@incometax.gov.in.
13.	Which case will fall within the exceptional category of legal heirs?	This category refers to cases where assessee expired after the issue of notice u/s 143(2), and assessment is to be completed by bringing the legal heir on record.
14.	Which case will fall within the exceptional category of Strike off companies?	This category refers to cases where the assessee company has been Struck-off by MCA.
15.	Which case will fall within the exceptional category of de-duplication of PAN?	<p>This category refers to cases where:</p> <ul style="list-style-type: none"> The assessee replies that it is using PAN other than the one on which notice was issued, or The AU ascertains that the assessee is using PAN other than on which notice was issued.
16.	Which case will fall under exceptional category of Business Restructuring/ Amalgamation/ Merger/ Demerger	This category refers to cases where the order for business restructuring affects merger/splitting of accounts of the assessee for the financial year relevant to the Assessment Year under scrutiny before AU.
17.	Action to be taken in cases falling in exceptional categories -Legal heir/ Business Restructuring/ Strike Off/ De-duplication of PAN	<p>Such cases are to be transferred out to JAO u/s 144B(8) by NaFAC with the approval of Board.</p> <p>Following process is to be followed:</p> <ul style="list-style-type: none"> The data of such cases is to be consolidated after due verification, at the level of CCIT, in the format shared by NaFAC. Upon receipt of email from NaFAC, the consolidated list of cases in the format shared by NaFAC, is to be sent from the designation based email of CCIT, only to the following email ID delhi.dcit2.1.neac@incometax.gov.in.
18.	How are cases with no digital footprint handled?	Such cases are handled from backend by NaFAC. AU is not required to share list of such cases.

19.	How to handle a case where, due to technical reasons, faceless assessment is not possible?	Details of such case, along with specific comments of PCIT of the AU and concerned CCIT, are to be shared on: delhi.cit.neac@incometax.gov.in and copy to delhi.addlcit1.neac@incometax.gov.in , delhi.dcit1.2.neac@incometax.gov.in , delhi.dcit2.1.neac@incometax.gov.in
20.	How to handle cases where emails have bounced?	Where emails bounce and assessee is non-responsive, AU is to take action as per Para D.3 of SOP of AU. In addition, in non-responsive case, a periodic centralized communication will be sent by Insight on directions of NaFAC as per Para G.3 of SOP of AU. Note: These cases do not fall in category of non-digital footprint cases because service is valid if notice is delivered on the registered account of assessee on the e-filing portal followed by a real time alert.
21.	Are AU required to report non-responsive cases for centralized communication under Para G.3 of SOP of AU?	No. NaFAC will identify non-responsive cases and run periodic cycles of such communication through Insight. All attributes of communication will be made available on the database accessible to AU on Insight.
22.	Is AU required to make reference to VU, under Para J.1.1 & J.1.2 of SOP of AU, in all cases where third party that does not have digital footprint or is non-responsive?	No. As per Para J.1 of SOP of AU, reference may be made only in cases where it is considered necessary.
23.	How is cross examination to be conducted in case of witness having digital footprint?	Cross examination may be conducted through VC. Summons may be issued to the witness with a copy to the assessee. In the event of no response by the witness, AU may take action J.1.2 of SOP of AU.
24.	Whether it is mandatory to refer legal issues to TU?	No. Para L.3.2 of SOP of AU states that legal issues covered by Jurisdictional HC or Supreme Court are not to be referred to TU. Legal references may be made to TU as per Para L.3 of SOP of AU.

25.	What should be done if the assessee fails to request for VC through the button on e-filing?	Another SCN may be issued, keeping in view the limitation date for completing the assessment. The SCN must specifically mention that it is being issued to enable the assessee to seek VC through the button on e-filing portal.
26.	Can AU make changes to ILDP once generated?	No changes can be made to ILDP once it has been generated.
27.	Can reference be made to TU/VU where RU has proposed modification?	Yes. If required and subject to the limitation date for completing the assessment, the AU may make a reference to TU/VU.
28.	The limitation date on ITBA has not changed even though the case was referred to TU for TP reference.	The limitation date will change automatically only after TU forwards the reference to TPO through TP reference tab on ITBA.
29.	The limitation date on ITBA does not automatically change even when the draft order is passed in case of eligible assessee.	Limitation date for passing the Final Order in case of eligible assessee u/s 144C will change on ITBA only when the AU captures the response or no-response of the assessee. Where the assessee files objections before DRP, date of receipt of DRP order is to be captured to get the final limitation date.
30.	Does AU need to attach any notice while making reference to VU?	No. VU will generate appropriate notice, as required, for conducting verification.
31.	Can the pre-set notice on Insight be edited by VU to change the mode of compliance / reply?	VU can edit the mode of reply mentioned in the pre-set notice, so that the assessee/third party can reply on designation based email of the VU or at the specified office address, instead of replying on the e-filing portal.
32.	When all physical verification references are now approved online by PCIT on Insight, whether there is still a requirement of mentioning the approval details (date and	Since the functionality for grant of approval of PCIT of the AU is functional and operational in Insight portal: <ul style="list-style-type: none"> • AU may not obtain the approval of PCIT of the AU separately on e-mail; • AU may no longer communicate the date and time when approval of PCIT of the AU was taken.

	time) of PCIT of the AU in the references to VU by AU?	The requirement in Annexure AU-2 of the SOP for AU/VU/TU/ RU dated 03.08.2022 and PU-3 & PU-4 of the SOP for PU/PRU/VU/TU dated 06.09.2022, to communicate date and time of e-mail by which approval of PCIT of the AU was taken by AU/ PU (as the case maybe), will no longer be operational.
33.	Whether VU may return the references to AU, in the absence of communication of the date and time of approval by PCIT of the AU?	Since the functionality for grant of approval of PCIT of the AU is functional and operational in Insight portal, VU may not return the references to AU on this ground. FAQ No. 7 stands modified to this extent.
34.	What process is to be followed by AU to obtain further documents/information from JAO?	AU must follow the following process: <ul style="list-style-type: none"> a. In the first instance, AU must examine the material available in the work item and also the electronic records available in the System and then identify specific information required from JAO. b. Thereafter, communication for the missing essential information may be issued only to the JAO and the Range head. In the event of no response from JAO/Range head, the matter may be escalated to the PCIT of JAO
35.	How should response, other than the final report, received from TPO be communicated by TU to AU?	Apart from uploading the response received from TPO through DIN/PAN-AY document uploading functionality, Inter Unit Communication channel may also be used by the TU.
36.	What are the precautions to be taken while conducting personal hearing through Video Conferencing?	<ul style="list-style-type: none"> • To initiate the Video Conference, the AU must log in with the 'Host' link received in Case History Notings or via SMS, and not with the 'Attendee' link available in the notice sent to the taxpayer. The host link will have the word 'host' within the link. • The AU must ensure that all identifiers are masked/hidden before initiating the Video Conference. • Conclude the VC in ITBA functionality after completion.

37.	What steps are required to be taken by AU and RU with regard to the Computation of Income?	<p>The AU must ensure that all additions proposed in the ILDP are duly reflected in the Computation of Income before submitting the same for RMS.</p> <p>The AU must invariably unfreeze the earlier computation done during Dry Run and recompute after making appropriate entries in the computation sheet in accordance with the ILDP.</p> <p>Computation must be done again even when no variation is proposed in the ILDP.</p> <p>RU must, in addition to the ILDP, check the prima facie correctness of the computation. Issue, if any, must be flagged in the Review Report.</p> <p>At the Draft/Final Order stage also, AU must check the correctness of the computation. Issue, if any, must be taken up with ITBA/CPC.</p>
38.	How can AU/VU use the 'Information Request' functionality in Insight to get information from Reporting Entity (SFT Filers)?	<p>Systems has communicated that 'Information Request' functionality is available only to AU in cases which have been selected on the basis of information received from a Reporting entity. The AU can use the functionality only to get additional information in respect of the original information received from the Reporting Entity.</p> <p>The functionality is not available to VU.</p>
39.	How can AU access the case packets in Insight? What information is available in the case packets?	<p>AU can navigate to 'Verification' module at Insight Portal to view the cases assigned to them.</p> <p>For each assigned case, case details screen is available which contains details like, PAN, F.Y., case type, verification issues etc.</p> <p>For each verification issue, 'View' hyperlink is available to view third party information e.g., SFT information</p>
40.	How can AU access 148A proceedings in ITBA?	<p>AU can access Section 148A proceedings through "Status Monitor" of ITBA.</p> <p>The AU can see all communications with the assessee related to 148A proceedings on e-filing BO portal.</p>
41.	How will PU come to know when an order is passed by CIT(A) in a particular case?	<p>PU gets an alert in ITBA when an order is passed in a case by CIT(A).</p> <p>PU has access to 360-degree view through which form 35 & CIT(A) order, if any, are visible.</p>

42	What is the rule of allocation of References to VU by AU?	Since all VU have been mapped pin-code wise on Insight, reference by AU to VU will be made to the specific unit-head of the concerned VU in all instances.					
43.	What are the rules of assignment of References by the Unit Head of VU amongst the subordinate DC/AC/ITO?	<p>The unit head of VU shall assign the References to the subordinate AC/DC and ITO in accordance with the following parameters:</p> <p>i. The unit head of VU shall assign the reference to the subordinate AC/DC and ITO in accordance with the following parameters:</p> <p>a. Assignment shall be on the basis of geographical proximity of the officer to the subject of verification to ensure efficiency and prompt verification.</p> <p>b. It shall be ensured that, as far as possible, all the subordinate AC/DC and ITO have equitable workload.</p> <p>c. References requiring physical verification of the same address/person shall be assigned to the same officer, as far as possible, to avoid</p> <ul style="list-style-type: none">multiple officers getting the verifications done on the same address/person and,multiple persons visiting the same address/person. <p>ii. Assignment of References amongst subordinate AC/DC and ITO shall require prior approval of the PCIT VU, which shall be obtained using the designation-based e-mail, until functionality for the same is built in the System.</p> <p>iii. Fortnightly report on Assignment of References shall be submitted to the PCIT VU, using the designation-based e-mail, as per the following format:</p>					
		<p style="text-align: center;">Report on Assignment of References By Unit-head _____ To PCIT VU _____ Fortnight I/II in the Month of _____, Year _____</p>					
		Officers of the VU	Opening Balance of	No. of References	No. of References	No. of References	Total number of

			Total References at the beginning of the fortnight	assigned during the fortnight	assigned upon Re- assignment	taken out for Re- assignment	References at the end of the fortnight
		AC/DC					
		ITO VU 1					
		ITO VU 2					
		ITO VU 3					
		ITO VU 4					
		ITO VU 5					
		Total References with VU					
44.	How to view and address adjournment request made by the assessee during faceless assessment proceedings?	Adjournment request made through the prescribed button on e-filing portal, is visible to the AU through the “Hearing” button in the case work-item. Before submitting the ILDP, AU may ensure that request for adjournment has been duly addressed. The detailed ITBA instruction may be referred in this regard.					
45.	Need to mention the details of Centralized Communication, including the delivery status of communication sent by speed-post, in a separate para while passing the assessment order.	<p>In non-responsive cases where Centralized Communication has been issued through NaFAC, the FAU must specifically include a separate paragraph in the assessment order, stating the following:</p> <ul style="list-style-type: none"> • The date on which communication was sent through speed post to the taxpayer; • The address on which the communication was sent; • The detail of Speed Post consignment number; • Delivery status of the Consignment number as per the website of the Department of Post. 					