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Income Tax - Assessment and Filing

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Chapter 1: Relief under Section 89(1) and Form 10E Computational Architecture

The receipt of lump-sum arrears of salary, advance salary, commuted pension, or terminal compensation frequently pushes an employee into a higher progressive tax bracket in the year of receipt, generating an artificially inflated tax burden. To insulate assessees against this inequity, Section 89(1) of the Income Tax Act, 1961 read with Rule 21A provides statutory tax relief. The relief ensures that an assessee does not pay higher tax on arrears in the year of receipt than what would have been paid had the salary been disbursed in the normal years of accrual.

Section 1: The Six-Step Mathematical Algorithm for Section 89(1) Relief

The determination of relief under Section 89(1) follows a standardized statutory computational sequence:

Step 1: Compute the total tax payable on the Total Income of the previous year of receipt (including the arrears of salary received).

Step 2: Compute the total tax payable on the Total Income of the previous year of receipt (excluding the arrears of salary received).

Step 3: Calculate the additional tax payable in the year of receipt solely due to the inclusion of arrears:

$$\text{Tax on Arrears in Year of Receipt [A]} = \text{Tax under Step 1} - \text{Tax under Step 2}$$

Step 4: Compute the total tax payable on the Total Income of the earlier previous year to which the arrears relate (including the arrears of salary).

Step 5: Compute the total tax payable on the Total Income of the earlier previous year to which the arrears relate (excluding the arrears of salary, as originally assessed).

Step 6: Calculate the additional tax that would have been payable in the accrual year had the arrears been received in that year:

$$\text{Tax on Arrears in Accrual Year [B]} = \text{Tax under Step 4} - \text{Tax under Step 5}$$

Step 7 (Final Relief Determination): The relief admissible under Section 89(1) is the excess of tax charged in the year of receipt over the tax that would have been charged in the year of accrual:

$$\text{Relief under Section 89(1)} = \max(0, A - B)$$

If [A] is less than or equal to [B], no relief is admissible, and zero adjustment is granted.

Section 2: Mandatory Electronic Filing of Form 10E

Pursuant to Section 89(1) read with Rule 21AA, an assessee cannot claim relief in their Income Tax Return without furnishing Form 10E electronically on the official income tax portal prior to submitting the return. Form 10E captures year-wise arrears, original incomes, revised total incomes, and tax calculations. If an assessee claims Section 89 relief in ITR-1 or ITR-2 without submitting Form 10E, the Centralized Processing Centre (CPC) automatically disallows the relief and generates a tax demand notice under Section 143(1)(a).

Chapter 2: Comparative Evaluation of Tax-Saving Investment Avenues

Individual tax planning under the regular (Old) tax regime involves strategically deploying investible surpluses into qualified instruments recognized under Chapter VI-A. Each asset class exhibits distinct risk, liquidity, yield, and tax treatment characteristics:

Investment Instrument	Lock-in Period	Risk & Return Profile	Tax Status on Withdrawal	Section Coverage
Equity Linked Savings Scheme (ELSS)	3 Years (Lowest among 80C)	High equity risk; market-linked returns (12%–15% historical)	LTCG taxable at 10% on gains exceeding Rs. 1 Lakh under Sec 112A.	Section 80C (up to Rs. 1.5 Lakh)
Public Provident Fund (PPF)	15 Years (Partial withdrawal from Year 7)	Sovereign guarantee; govt-notified quarterly interest (~7.1%)	Exempt-Exempt-Exempt (EEE); principal, interest, and maturity 100% tax-free.	Section 80C (up to Rs. 1.5 Lakh)
National Pension System (NPS) Tier-I	Till age 60 / superannuation	Market-linked (equity, corporate bonds, govt gilts); returns ~9%–12%	60% lump sum tax-free at age 60; 40% mandatory annuity (annuity pension taxable).	Sec 80CCD(1) + 80CCD(1B) extra Rs. 50,000
Sukanya Samriddhi Yojana (SSY)	21 Years (or marriage of girl child after age 18)	Sovereign safety; highest small savings interest (~8.2%)	Exempt-Exempt-Exempt (EEE); full maturity amount completely tax-exempt.	Section 80C (for girl child under age 10)
Tax-Saver Fixed Deposit (5 Years)	5 Years (No premature encashment or loan)	Guaranteed bank return (6.5%–7.5%); DICGC insurance up to Rs. 5L	Interest accrued annually is 100% taxable at slab rate; TDS applies.	Section 80C (up to Rs. 1.5 Lakh)
Senior Citizens Savings Scheme (SCSS)	5 Years (Extendable by 3 years)	Sovereign safety; quarterly payout (~8.2%) for individuals age ≥ 60	Interest taxable; senior citizen deduction up to Rs. 50,000 under Sec 80TTB.	Section 80C (up to Rs. 1.5 Lakh)

Strategic Asset Allocation: A prudent tax planning portfolio leverages the highest liquidity of ELSS (3-year lock-in) for capital appreciation, coupled with PPF and SSY for sovereign debt safety, while deploying the dedicated Rs. 50,000 bracket of Section 80CCD(1B) into NPS to maximize long-term retirement wealth.

Chapter 3: Strategic Planning for Capital Assets & Reinvestment Mechanisms

Tax liability on capital gains can be eliminated or substantially mitigated through strategic holding periods and statutory reinvestment exemptions:

Section 1: Holding Period Optimization

Holding a capital asset beyond statutory thresholds converts Short-Term Capital Gains (taxed at regular progressive slab rates or 15% under Section 111A) into Long-Term Capital Gains (taxed at concessional rates of 10% or 20% with indexation benefits). Taxpayers should monitor

acquisition dates to ensure transfers occur after the qualifying maturity horizon (12 months for listed equity, 24 months for immovable property).

Section 2: The Capital Gains Account Scheme, 1988 (CGAS)

Where the statutory time limit for reinvesting capital gains (or net sale consideration) in a new residential house under Section 54 or Section 54F extends beyond the due date for filing the return of income under Section 139(1), the assessee must deposit the unutilized funds into a dedicated Capital Gains Account Scheme with an authorized public sector bank prior to furnishing the return.

1. Deposit Classifications:

• *Deposit Account-A (Savings Deposit):* Operates like a normal savings account with checkbook facility, suitable where funds will be drawn in periodic construction installments.

• *Deposit Account-B (Term Deposit):* Operates like a fixed term deposit, earning higher interest, suitable where the purchase of a ready house is scheduled after several months.

2. Compliance & Utilization Rules: The deposit receipt must be cited in the relevant ITR schedule. The funds deposited must be utilized exclusively for acquiring or constructing the residential property within the specified statutory period (2 years for purchase, 3 years for construction). If the deposited amount is not utilized within the statutory period, the unutilized balance is treated as long-term capital gain of the previous year in which the three-year limitation expires.

Chapter 4: Practical End-to-End E-Filing Execution Workflow

Filing an Income Tax Return involves modern electronic workflows using prefilled JSON data structures and algorithmic validation engines:

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PRACTICAL E-FILING EXECUTION WORKFLOW
[Stage 1] Portal Login → Ingestion of Prefilled Data (Form 26AS, AIS, TIS)
↓
[Stage 2] Data Reconciliation against Source Vouchers (Form 16/16A, Bank Books)
↓
[Stage 3] Offline Utility Execution or Online Portal Wizard Navigation
↓
[Stage 4] Schedule Entry: Income → Deductions → Regime Selection (Old/New)
↓
[Stage 5] Tax Computation → Self-Assessment Payment via e-Pay Tax (ITNS 280)
↓
[Stage 6] Schema Validation → Generation and Upload of Final JSON Payload
↓
[Stage 7] Electronic Verification within 30 Days (Aadhaar OTP / EVC)
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1. Downloading Prefilled JSON: Log in to the official portal (incometax.gov.in). Under *e-File > Income Tax Returns > Download Prefilled Data*, select the Assessment Year. Download the encrypted JSON file containing departmental records of salary income, bank interest, dividend payouts, TDS deductions, and advance tax remittances.

2. Ingesting into Common Offline Utility: The Income Tax Department provides a cross-platform Java-based Common Offline Utility for ITR-1 through ITR-4. Launch the utility and import the prefilled JSON file. The utility pre-populates personal information, gross salary, TDS credits, and bank details.

3. Validating Information & Resolving Schema Errors: Taxpayers must verify every schedule. Common validation errors that halt JSON generation include:

• Missing or invalid PIN code / address formatting.

• Selecting multiple bank accounts for refund credit without nominating a primary pre-validated account.

• Discrepancy between gross salary reported and sum of allowances.

• Omission of date of investment for Section 54/54EC capital gains exemption claims.

4. Generating Validated JSON & Upload: Once the utility displays zero validation errors, click *Proceed to Verification* and generate the output JSON file. Log in to the portal, navigate to *e-File > File Income Tax Return*, choose *Offline Mode*, upload the validated JSON payload, and click *Submit*.

Chapter 5: Advanced E-Verification Architecture

Submitting an ITR is only the initial half of statutory filing. Under the Income Tax Rules, a return remains legally non-est (null and void) unless electronically verified within 30 days of submission. The portal provides multiple digital authentication mechanisms:

1. Aadhaar OTP Authentication: The most prevalent verification method. The portal interfaces with the Unique Identification Authority of India (UIDAI) gateway. An OTP is transmitted to the mobile number linked with the taxpayer's Aadhaar card. Entering the valid OTP within its 10-minute validity window instantly authenticates the return, generating a cryptographically sealed digital timestamp.

2. Electronic Verification Code (EVC) via Pre-Validated Bank Account: Taxpayers with accounts in authorized banks (e.g., SBI, Canara Bank, HDFC Bank) can generate an EVC. The bank account must be pre-validated on the tax portal with matching PAN, name, and active mobile number, validated via the National Payments Corporation of India (NPCI) system. The EVC is delivered to the registered mobile number.

3. EVC via Demat Account: Similar to bank verification, taxpayers holding a demat account with NSDL or CDSL can pre-validate their depository participant profile and receive an EVC via registered SMS.

4. Net Banking Gateway Redirect: Assessees log in to their internet banking portal, select the *e-Tax / e-Filing* tab, and are redirected through secure single sign-on (SSO) to the income tax portal with pre-authenticated credentials, completing verification in one click.

5. Physical ITR-V Verification: Where digital verification is unavailable, the assessee prints the single-page ITR-V acknowledgement, signs it in blue or black ink (digital signatures or photocopies are rejected), and posts it by ordinary post or speed post to *Centralized Processing Centre, Income Tax Department, Bengaluru 560500* within 30 days. Courier deliveries are legally prohibited.

Chapter 6: Post-Filing Procedures, Status Tracking & Section 154 Rectification

Following successful e-verification, the return enters the administrative processing lifecycle administered by CPC Bengaluru:

Return Status Milestone	Administrative Meaning & Processing Action
Submitted & Awaiting Verification	JSON payload received; pending authentication within the 30-day statutory window.
Successfully e-Verified	Authentication completed; acknowledgement generated; queued for automated CPC processing.
Processed with Intimation [Sec 143(1)]	Return processed; intimation dispatched showing Nil demand, refund due, or tax payable.
Defective Return [Sec 139(9)]	Notice served for computational mismatch or missing schedules; must be rectified within 15 days.

Section 1: Intimation under Section 143(1) and Refund Crediting

The Intimation under Section 143(1) contains a comparative two-column table displaying income, deductions, and tax computations as declared by the assessee alongside the figures determined by CPC. Where total prepaid taxes exceed assessed tax liability, CPC sanctions an income tax refund along with statutory interest at 0.5% per month under Section 244A (calculated from 1st April of the assessment year to the date of refund grant). Refunds are remitted directly to the taxpayer's pre-validated bank account through State Bank of India's Cash Management Product (CMP) direct credit / ECS gateway.

Section 2: Rectification of Mistakes under Section 154

Where an intimation or order suffers from an error apparent from the record (such as CPC failing to grant credit for advance tax or TDS paid despite correct challan details in the return, or arithmetical miscalculations), the assessee can file an online Rectification Application under Section 154.

• **Procedure:** Navigate to *Services > Rectification*. Select the Assessment Year and choose the rectification request type: (a) Reprocess the return, (b) Tax credit mismatch correction, or (c) Additional information submission.

• **Statutory Limitation:** An application for rectification must be made within four years from the end of the financial year in which the intimation or order sought to be amended was passed.

Chapter 7: Worked Numerical Practical Applications

Worked Problem 1: Section 89(1) Relief Calculation for Salary Arrears

Mr. K. Narayanan received gross salary of Rs. 9,50,000 during Previous Year 2023-24 (Assessment Year 2024-25). This included Rs. 1,80,000 received as arrears of salary relating to Previous Year 2020-21 (Assessment Year 2021-22). The details of his taxable income and applicable tax rates are:

• Assessment Year 2024-25: Normal income excluding arrears: Rs. 7,70,000. Total income including arrears: Rs. 9,50,000. Under the Old Tax Regime, tax on Rs. 9,50,000 is Rs. 1,06,600 (including 4% cess). Tax on Rs. 7,70,000 is Rs. 69,160 (including 4% cess).

• Assessment Year 2021-22: Originally assessed total income excluding arrears was Rs. 4,20,000, on which tax was Nil (owing to Section 87A rebate on income ≤ Rs. 5 Lakhs). If the arrears of Rs. 1,80,000 are added, the revised total income for AY 2021-22 becomes Rs. 6,00,000, on which tax payable (under Old Regime slab rates with 4% cess) is Rs. 33,800.

Compute the tax relief admissible to Mr. Narayanan under Section 89(1) and outline the Form 10E reporting requirements.

Step-by-Step Resolution:

Step 1: Additional Tax Payable in Year of Receipt (AY 2024-25):

• Tax on total income including arrears (Rs. 9,50,000): Rs. 1,06,600.

• Tax on total income excluding arrears (Rs. 7,70,000): Rs. 69,160.

• Difference [A] = Rs. 1,06,600 − Rs. 69,160 = **Rs. 37,440.**

Step 2: Additional Tax Payable in Year of Accrual (AY 2021-22):

• Tax on revised total income including arrears (Rs. 6,00,000): Rs. 33,800.

• Tax on originally assessed income excluding arrears (Rs. 4,20,000): Nil (covered by Sec 87A rebate).

• Difference [B] = Rs. 33,800 − Nil = **Rs. 33,800.**

Step 3: Determination of Section 89(1) Relief:

• Admissible Relief = Difference [A] − Difference [B] = Rs. 37,440 − Rs. 33,800 = **Rs. 3,640.**

Step 4: Net Tax Payable in Year of Receipt:

• Gross Tax on Total Income: Rs. 1,06,600.

• Less: Relief under Section 89(1): Rs. 3,640.

• **Net Tax Payable for AY 2024-25 = Rs. 1,06,600 − Rs. 3,640 = Rs. 1,02,960.**

• *Procedural Mandate:* Mr. Narayanan must submit Form 10E on the e-filing portal before filing his ITR; otherwise, the CPC will disallow the Rs. 3,640 relief.

Worked Problem 2: Capital Gains Account Scheme (CGAS) and Section 54 Planning

Mrs. Geetha Pillai sold an ancestral residential house in Kollam on 12th December 2023 for Rs. 55,00,000. The indexed cost of acquisition was Rs. 21,00,000, resulting in a Long-Term Capital Gain of Rs. 34,00,000. She intends to construct a new residential house in Kozhikode, with estimated construction completion by November 2025 (within the 3-year statutory window). The due date for filing her income tax return for Assessment Year 2024-25 is 31st July 2024.

By 20th July 2024, she had spent Rs. 8,00,000 towards purchase of land for construction. She deposits the remaining capital gain of Rs. 26,00,000 into a Capital Gains Account Scheme (Account-A) with State Bank of India on 25th July 2024 before filing her return on 28th July 2024. Explain the statutory validity of her Section 54 claim and the consequences if she fails to utilize the deposited amount by 11th December 2026.

Resolution & Advisory:

• **Statutory Validity:** Under Section 54, the capital gain of Rs. 34,00,000 is fully exempt in AY 2024-25 because she utilized Rs. 8,00,000 prior to return filing and deposited the balance Rs. 26,00,000 in CGAS before the Section 139(1) due date (31st July 2024). Net taxable LTCG for AY 2024-25 is Nil.

• **Default Consequences:** The construction must be completed within 3 years from the date of original transfer (i.e., on or before 11th December 2026). If Mrs. Pillai utilizes only Rs. 20,00,000 from the CGAS account by 11th December 2026, the unutilized balance of Rs. 6,00,000 will be deemed as Long-Term Capital Gain of the previous year 2026-27 (Assessment Year 2027-28) and taxed at prevailing LTCG rates.

Chapter 8: Practical Tax Compliance Checklist & Annual Tax Planning Calendar

Individual tax compliance is a continuous annual governance discipline. The compliance calendar structures deadlines across the financial year:

Compliance Period / Month	Salaried Assessee Responsibilities	Business / Self-Employed Assessee Responsibilities
April – May	Submit proposed investment declaration to employer; choose tax regime (Old vs New).	Estimate annual turnover; verify presumptive eligibility (Sec 44AD/44ADA); begin new books.
15th June	Collect Form 16 (Part A & Part B) from employer; verify quarterly TDS entries.	Pay first installment of Advance Tax (not less than 15% of estimated annual liability).
31st July	Mandatory statutory due date for filing non-audit ITR-1 or ITR-2; verify within 30 days.	Filing due date for non-audit business returns (ITR-3 / ITR-4); pay self-assessment tax.
15th September	Track refund status or review Section 143(1) intimation received from CPC.	Pay second installment of Advance Tax (cumulative 45% of estimated tax liability).

Compliance Period / Month	Salaried Assessee Responsibilities	Business / Self-Employed Assessee Responsibilities
30th September / 31st Oct	Routine monitoring of income tax account; file Sec 154 rectification if TDS missed.	Submit Tax Audit Report under Sec 44AB (30th Sept); file audited ITR (31st Oct).
15th December	Review actual investment proofs; submit final Form 12BB vouchers to employer.	Pay third installment of Advance Tax (cumulative 75% of estimated tax liability).
31st December	Final deadline for filing Belated Return [Sec 139(4)] or Revised Return [Sec 139(5)].	Final deadline for Belated / Revised returns with late fee under Section 234F.
15th – 31st March	Complete remaining Chapter VI-A investments (PPF, ELSS, NPS, Health Insurance).	Pay final 100% Advance Tax (mandatory for 44AD/44ADA by 15th March); reconcile AIS/TIS.

Chapter 9: Multi-Source Tax Credit Reconciliation: Form 16, 16A, 26AS, and AIS

A frequent cause of defective return notices under Section 139(9) and unexpected tax demands under Section 143(1)(a) is the mismatch between tax credits claimed by an assessee and tax credits recognized by the Income Tax Department's processing system. Seamless tax filing necessitates meticulous reconciliation across four distinct informational artifacts:

Informational Artifact	Issuing Entity / Portal	Statutory Content & Reconciliation Role
Form 16	Employer via TRACES	Certifies salary disbursed, eligible Chapter VI-A deductions, and monthly Section 192 TDS deducted and deposited.
Form 16A	Banks, Corporate Payers	Quarterly certificate of TDS on non-salary payments: interest on fixed deposits (Sec 194A), professional fees (Sec 194J), contract payments (Sec 194C).
Form 26AS	Income Tax Dept (TRACES)	Annual consolidated tax credit ledger showing all TDS, TCS, advance tax, self-assessment tax, and refund payouts linked to the assessee's PAN.
Annual Information Statement (AIS)	Directorate of Systems (Portal)	Comprehensive repository of all financial transactions reported under SFT: stock market trades, mutual fund redemptions, high-value credit card outlays, foreign remittances.

Where TDS appears on Form 16 or Form 16A but does not reflect in Form 26AS, it indicates that the deductor has failed to file their quarterly TDS return (Form 24Q or 26Q) or quoted an erroneous PAN. In such circumstances, CPC Bengaluru will reject the credit claim during Section 143(1) processing. The assessee must contact the deductor to furnish a revised TDS return rather than altering credit figures unilaterally in the ITR.

Chapter 10: Advanced Digital Security, Cryptographic Signatures & DSC in E-Filing

For corporate entities, political parties, and individuals whose accounts are subject to compulsory statutory audit under Section 44AB, electronic verification via Aadhaar OTP or bank EVC is legally inadmissible. The law mandates verification through a cryptographically validated Digital Signature Certificate (DSC):

1. Digital Signature Certificate (DSC) Infrastructure: A Class 3 DSC incorporates Public Key Infrastructure (PKI) based on asymmetric cryptography, complying with the Information Technology Act, 2000. It is issued by licensed Certifying Authorities (such as e-Mudhra, Capricorn, or NSDL) on a cryptographic hardware USB token (e.g., FIPS 140-2 Level 2 compliant token).

2. DSC Registration & E-Mudhra emSigner Gateway: To authenticate returns using a DSC, the taxpayer must download and install the official *emSigner* utility from the income tax portal. The DSC USB token is plugged into the workstation, and the digital certificate is registered on the portal profile. During return submission, the emSigner utility bridges the local browser and the USB token, prompting the taxpayer to enter their private PIN, embedding an SHA-256 cryptographic hash into the final submitted JSON file.

Chapter 11: Worked Numerical Problem 3: Multi-Year Section 89 Relief Resolution

Mr. V. S. Namboodiri received Rs. 3,00,000 as retrospective salary arrears on 20th January 2024 (AY 2024-25) following a bipartite wage settlement. The arrears pertained to two preceding financial years: Rs. 1,60,000 for FY 2021-22 (AY 2022-23) and Rs. 1,40,000 for FY 2022-23 (AY 2023-24). His tax data across the relevant years are:

• **AY 2024-25 (Year of Receipt):** Normal income excluding arrears: Rs. 11,00,000 (Tax payable under Old Regime = Rs. 1,48,200). Total income including arrears: Rs. 14,00,000 (Tax payable under Old Regime = Rs. 2,41,800).

• **AY 2022-23 (Accrual Year 1):** Originally assessed income: Rs. 5,50,000 (Tax paid = Rs. 23,400). Revised income including Rs. 1,60,000 arrears = Rs. 7,10,000 (Tax payable under Old Regime = Rs. 56,680).

• **AY 2023-24 (Accrual Year 2):** Originally assessed income: Rs. 6,80,000 (Tax paid = Rs. 50,440). Revised income including Rs. 1,40,000 arrears = Rs. 8,20,000 (Tax payable under Old Regime = Rs. 79,560).

Compute the total relief admissible under Section 89(1) for Mr. Namboodiri for Assessment Year 2024-25.

Detailed Multi-Year Resolution:

Step 1: Additional Tax in Year of Receipt (AY 2024-25):

• Tax on total income including all arrears (Rs. 14,00,000) = Rs. 2,41,800.

• Tax on total income excluding all arrears (Rs. 11,00,000) = Rs. 1,48,200.

• Additional tax in year of receipt [A] = Rs. 2,41,800 − Rs. 1,48,200 = **Rs. 93,600.**

Step 2: Additional Tax in Accrual Year 1 (AY 2022-23):

• Tax on revised income of Rs. 7,10,000 = Rs. 56,680.

• Less: Tax on original income of Rs. 5,50,000 = Rs. 23,400.

• Additional tax for AY 2022-23 [B1] = Rs. 56,680 − Rs. 23,400 = **Rs. 33,280.**

Step 3: Additional Tax in Accrual Year 2 (AY 2023-24):

• Tax on revised income of Rs. 8,20,000 = Rs. 79,560.

• Less: Tax on original income of Rs. 6,80,000 = Rs. 50,440.

• Additional tax for AY 2023-24 [B2] = Rs. 79,560 − Rs. 50,440 = **Rs. 29,120.**

Step 4: Aggregate Additional Tax in Accrual Years:

• Total tax that would have been payable in accrual years [B] = B1 + B2 = Rs. 33,280 + Rs. 29,120 = **Rs. 62,400.**

Step 5: Determination of Total Admissible Relief under Section 89(1):

• Relief under Section 89(1) = Additional Tax in Year of Receipt [A] − Total Additional Tax in Accrual Years [B]

• Relief = Rs. 93,600 − Rs. 62,400 = **Rs. 31,200.**

Step 6: Net Tax Payable for AY 2024-25:

• Gross Tax on Rs. 14,00,000: Rs. 2,41,800.

• Less: Relief under Section 89(1): Rs. 31,200.

• **Net Tax Payable for AY 2024-25 = Rs. 2,41,800 − Rs. 31,200 = Rs. 2,10,600.**

Chapter 12: E-Proceedings, Faceless Appeals & Online Grievance Redressal

The modernization of tax administration extends beyond initial filing into formal dispute resolution and appellate proceedings:

1. E-Proceedings Dashboard: The *Pending Actions > e-Proceedings* portal tab serves as the official digital interface for addressing statutory departmental communications. When a notice under Section 142(1) (inquiry before assessment), Section 143(2) (scrutiny notice), or Section 148 (reassessment notice) is issued, it is served electronically on this dashboard. Taxpayers submit written replies, upload financial statements, and submit bank book certificates in password-protected or encrypted PDF formats without physical visits.

2. Faceless Appeal Scheme before Commissioner of Income Tax (Appeals): Under Section 250(6B), appellate proceedings before the first appellate authority (CIT Appeals) are conducted under the Faceless Appeal Scheme. The National Faceless Appeal Centre (NFAC) allocates appeals dynamically through automated algorithmic routing. Written grounds of appeal, Statement of Facts (Form 35), and rejoinders are submitted entirely online. Oral hearings are granted strictly through secure video conferencing.

3. Institutional Grievance Redressal via e-Nivaran: Taxpayers experiencing protracted delays in refund disbursement, pending rectification petitions under Section 154, or unresolved PAN-Aadhaar linking issues can lodge formal institutional grievances on the *e-Nivaran* portal. Every grievance generates a unique tracking acknowledgment number with mandatory escalation milestones monitored by the Central Board of Direct Taxes (CBDT).