



आयकर निदेशालय (पद्धति)  
**DIRECTORATE OF INCOME TAX (SYSTEM)**  
ए आर ए सेंटर, भू-तल, ई-2 झंडेवाला न एक्स  
ARA Center, Ground Floor, E-2, Jhandewalan Extension,  
नई दिल्ली - 110055, New Delhi - 110055

F.No. System/ITBA/Instruction/Penalty/2016-17/8062

Dated: 31.10.2016

To

All Principal Chief Commissioners of Income-tax/ CCsIT (By Name)

All Principal Commissioner of Income-tax/CsIT/CsIT(Admn, CO and TPS) (By Name)

**Subject: Roll-out of Phase 1 of Penalty Module of Income Tax Business Application (ITBA) – Reg.**

Madam/ Sir,

This is in reference to the subject mentioned above. The Penalty Module of Income Tax Business Application (ITBA) has been rolled out on 31.10.2016. The Penalty Module provides facility for initiation of penalty, passing of order on the same and passing of orders for reduction, waiver and immunity of/ from penalty u/s 273A and 273AA of the I. T. Act, 1961.

2. The Penalty Module of ITBA can be accessed by entering the following URL in the browser:

<http://itba.incometax.gov.in>

The path for Penalty module is: **ITBA Portal → Login → Modules → Penalty**

3. Following are the functionalities provided in the Penalty Module:

(i) **Initiation of penalty and passing final order:** A user can initiate penalty proceedings in a case through Penalty Module. The user will need to issue Show Cause Notice after logging into ITBA and accessing Penalty Module. In case initial show cause notice has been issued manually, the user can record details of such manual notice on System and start further process in ITBA. Thus, all pending penalty proceedings, initiated manually, can be captured and processed in ITBA. Once initiated, pendency will be created for penalty proceeding. A user can issue multiple show cause notices in a case and record details of hearing. After conclusion of proceedings, the user can either pass order for imposition of penalty or drop proceedings.

In cases where approval of Range Head is required before imposing the penalty u/s 274(2) of the I. T. Act, the officer concerned can submit the draft order to the Range Head who can grant approval

online. The Range Head also has option to reject the proposal or send back the same to his subordinate in case he wants to have some clarification or a revised draft.

The facility to initiate and impose penalty has been provided to all the officers of the department including CCIT, PCIT, CIT (Appeals), Additional/ Joint CsIT, Assessing Officers, TPOs and officers of the Directorate of Income Tax (Investigation) and DIT (I&CI), depending upon their powers under the I. T. Act, 1961, i.e., every officer can initiate and impose penalty as per his statutory powers. Facility to issue summons, commissions and notices u/s 133(6) has not been provided as of now, but will be provided soon when similar functionalities in Assessment Module are rolled out. Once the Penalty Order is passed, the demand will be shared by ITBA with CPC-ITR for posting the penalty in assessee's demand ledger.

**The facility to initiate and impose penalty for defaults relating to TDS provisions has not been provided in ITBA and will continue to be provided in CPC-TDS.**

- (ii) **Marking a case as 'Potential Penalty Case'** – In case a user finds violation of the I. T. Act committed by an assessee during the course of proceedings before him, the power to impose the penalty on which lies with some other officer, he has a facility to mark the case as 'Potential Penalty Case' and the System will communicate the same to the concerned officer who can take further necessary action in the matter, e.g., an AO comes to know of violation of provisions of section 269SS or 269T, by a person who is not his assessee, during the course of assessment proceedings of his assessee and he needs to inform the concerned assessing officer, he can mark the case of such other assessee as 'Potential Penalty' case u/s 271D/ 271E and information will be conveyed to the other AO by the System. The Investigation officers can also use this functionality wherever required.
- (iii) **Reduction and Waiver of Penalty u/s 273A** – A facility has been provided for passing orders by the PCsIT on applications for reduction and waiver of penalty u/s 273A of the I. T. Act, 1961. This functionality is for use by the PCsIT and their Headquarters officers.
- (iv) **Immunity and Withdrawal of Immunity u/s 273AA** – A facility has been provided for passing orders by the PCsIT on applications for grant of immunity u/s 273AA of the I. T. Act, 1961 and withdraw the same, if required, under sub-section(4) and (5) of this section. This functionality is also for use by the PCsIT and their Headquarters officers.
- (v) **MIS Reports** – Following are the MIS reports provided in Penalty Module of ITBA:

1. Penalty Register
2. List of Potential Penalty Cases referred to other authorities

3. List of cases in which reference for Penalty received
4. List of cases relating to waiver/ reduction u/s 273A
5. List of cases relating to immunity from penalty
6. Jurisdiction wise List of cases where penalty has been initiated
7. Cases where appeals filed on penalty orders

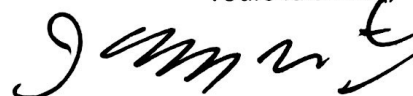
The MIS reports are accessible through Penalty Home Page. The path for the same is **Penalty → MIS Reports**

4. For the pending penalty cases in existing AST application, user will continue to be able to pass penalty orders in AST until the pendency in these cases is shifted to ITBA through a backend process. Once all these pendencies are shifted to ITBA, the users will be able to take further action in such cases in ITBA. For penalty orders passed in existing AST application, the penalty demand shall continue to be posted in IRLA as per the existing process.
5. Following functionalities relating to penalties will be rolled out soon in subsequent phase(s):
  - a. Passing of rectification order and give-effect orders for orders passed by appellate authorities
  - b. Integration with CPC – ITR for posting of 400 challans/ adjustment of refunds
6. The users will need their individual name-based department email IDs and RSA tokens. The log-in into the system will be through the username and password (sent on individual email ID) along with the RSA token over the Taxnet nodes. The username and passwords will be communicated on their respective email IDs if they do not have the same. Users are advised to contact their respective RCC Admin for name-based department email ID in case they do not have the same.
7. Users on Windows XP system are advised to download the Chrome (version 43) or Firefox (version 36) browser (if unavailable) from **ITBA Portal → Download Pre-Requisites** to access the new ITBA application.
8. Training material including user manual, help content and frequently asked questions (FAQs) are available on the Penalty Module Home Page and on **ITBA Portal → Online Training on ITBA**. Users can refer these to see the processes described above in detail.

9. Users are advised to contact helpdesk in case of any issue in respect of the ITBA whose details are as under:

- a. URL of helpdesk - <http://itbahelpdesk.incometax.net>
- b. Help desk number – 0120-2772828 - 42
- c. Email ID – [helpdesk\\_messaging@incometax.gov.in](mailto:helpdesk_messaging@incometax.gov.in)
- d. Help desk Timings – 8.30 A.M. – 7.30 P.M. (Monday to Friday)

Yours faithfully,



(Ramesh Krishnamurthi)  
Addl.DGIT(S)-III, New Delhi

**Copy to:**

1. The P.P.S to the Member(L&C), Member(Inv.), Member(IT), Member(Rev.), Member(A&J)& Member(P&V), CBDT for information.
2. The P.S. to the Pr.DGIT(S) for information.
3. The Web Manager, for [www.irsolicersonline.gov.in](http://www.irsolicersonline.gov.in) website with a request to upload the same
4. ITBA Publisher for <https://itba.incometax.gov.in> portal with a request to upload the same



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