

### **Press-note**

#### **Subject: Simplification of procedure to deal with audit objections raised by CAG-reg**

Central Board of Excise and Customs has issued circular no. 1023/11/2016-CX dated 08/04/2016 to simplify the procedure of dealing with audit objections raised in indirect taxes by the office of CAG. The circular rescinds all the past Circulars and instructions and prescribes a new simplified and consolidated procedure.

2. Taking note of the fact that revenue and audit have agreement on large proportion of the audit objections, the revised Circular provides that demand notice in cases of agreement on audit objection should be issued and decided expeditiously. However, where revenue does not agree with the objections, no demand notice would be issued. Thus, where it is not necessary, assessee would not be taken through the litigation cycle.

3. The Circular also highlight that adjudicating authority is a quasi-judicial authority and is expected to decide the case independently and judiciously. Regular coordination meeting between revenue and CAG officers has also been prescribed for faster resolution of issues.

4. These revised guidelines have been issued in an effort to make the indirect tax administration assessee friendly and non-adversarial by bringing the audit objections to closure in an expeditious and fairer manner.