

F.No.225/126/2020/ITA-II
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes (ITA-II division)

North Block, New Delhi, the 17th September, 2020

To

All Pr. Chief-Commissioners of Income-tax/ Chief-Commissioners of Income-Tax
All Pr. Director-Generals of Income tax/ Director-Generals of Income-tax.

Madam/ Sir

Subject: Guidelines for compulsory selection of returns for Complete Scrutiny during the Financial Year 2020-21 –conduct of assessment proceedings in such cases - regarding.-

Kindly refer to the above.

2. Keeping in view of the Faceless Assessment Scheme,2020 implemented by the Department and the difficulties being faced amid COVID-19 pandemic, the parameters for compulsory selection of returns for Complete Scrutiny during Financial Year 2020-21 and conduct of assessment proceedings in such cases are prescribed as under:

S No	The Parameter	Assessment Proceedings to be conducted by
1	Cases pertaining to survey u/s 133A of the Income-tax Act,1961('Act')	
	Cases pertaining to survey u/s 133A of the Act, excluding those cases where books of accounts, documents, etc. were not impounded and returned income (excluding any disclosure made during the Survey) is not less than returned income of preceding assessment year. However, where assessee has retracted from disclosure made during the Survey, such cases will be considered for scrutiny.	
	(i) In respect of such cases selected for compulsory scrutiny and where there is impounded material	(i) After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, such cases shall be transferred to Central Charges u/s 127 of the Act within 15 days of issue of notice u/s 143(2) of the Act.
	(ii) In respect of such cases selected for compulsory scrutiny and where there is no impounded material	(ii) After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NeAC. The Assessing Officer shall upload the Survey Report in the ITBA at the time of issue of notice u/s 143(2) of the Act.

2	Cases pertaining to Search and Seizure	
	Assessments in Search and Seizure cases to be made under section(s) 153A, 153C read with section 143(3) of the Act and also for return filed for assessment year relevant to previous year in which authorization for Search and Seizure was executed under section 132 or 132A of the Act.	The cases falling u/s 153C, if lying outside Central Charges, shall be transferred to Central Charges u/s 127 of the Act within 15 days of issue of notice u/s 143(2) for compulsory selection.
3	Cases in which notices u/s 142(1) of the Act, calling for return, have been issued	
	(i) Cases where no return has been furnished in response to a notice u/s 142(1) of the Act.	These cases will be taken up for compulsory scrutiny by NeAC.
	(ii) Cases where return has been furnished in response to notice u/s 142(1) of the Act and where notice u/s 142(1) of the Act was issued due to the information contained in NMS Cycle/AIR information/information received from Directorate of IC&I.	These cases will not be taken up for compulsory scrutiny and the selection of such cases for scrutiny will be through CASS cycle.
	(iii) Cases where return has been furnished in response to notice u/s 142(1) of the Act and where notice u/s 142(1) of the Act was issued due to the specific information received from Law Enforcement Agencies, including the Investigation Wing; Intelligence/ Regulatory Authority/Agency; Audit Objection; etc.	After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NeAC.
4	Cases in which notices u/s 148 of the Act have been issued	
	(i) Cases where no return has been furnished in response to notice u/s 148 of the Act.	In such cases, Jurisdictional Assessing shall issue notice u/s 142(1) of the Act, calling for information regarding the issues on the basis of which notice u/s 148 was issued, subsequent to which, assessment proceedings in such cases will be conducted by NeAC.
	(ii) Cases where return has been furnished in response to notice u/s 148 of the Act and where notice u/s 148 of the Act was issued due to the information contained in NMS Cycle/ AIR information/ information received from Directorate of IC&I.	These cases will not be taken up for compulsory scrutiny and the selection of such cases for scrutiny will be through CASS cycle.
	(iii) Cases where return has been furnished in response to notice u/s 148 of the Act and where notice u/s 148 of the Act was issued due to the specific information received from Law Enforcement Agencies, including the Investigation Wing; Intelligence/ Regulatory Authority/Agency; Audit Objection; etc.	After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NeAC.
5	Cases related to registration/approval under various sections of the Act, such as 12A, 35(1)(ii)/(ia)/(iii), 10(23C), etc.	
	Cases where registration/approval under various sections of the Act, such as section 12A, 35(1)(ii)/(ia)/(iii), 10(23C), etc. have not been granted or have been cancelled/withdrawn by the Competent Authority, yet the assessee has been found to be claiming tax-exemption/deduction in the return. However, where such orders of withdrawal of registration/approval have been reversed/set-aside in appellate proceedings, those cases will not be selected under this clause.	After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NeAC.

3. Without prejudice to the above, the cases which are selected for compulsory scrutiny by the International Taxation and Central Circle charges following the above prescribed guidelines, shall, as earlier, continue to be handled by these charges.

4. The exercise of selection of cases for compulsory scrutiny on the basis of the above parameters shall be completed by **30th September 2020**.

5. These instructions may be brought to the notice of all concerned for necessary compliance.

-sd-

(Rajarajeswari R.)

Under Secretary-ITA.II, CBDT

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- v. O/o Pr. DGIT(Systems) with request to upload on the departmental website
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Rajarajeswari R.
17/9/2020
(Rajarajeswari R.)

Under Secretary-ITA.II, CBDT