

F.No.225/72/2024/ITA-II
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

North Block, New Delhi, the 03rd May, 2024

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 2024-25 – procedure for compulsory selection in such cases – regarding.

Kindly refer to the above.

2. The parameters for compulsory selection of returns for Complete Scrutiny during Financial Year 2024-25 and procedure for compulsory selection in such cases are prescribed as under:

S. No.	Parameter	Procedure for Compulsory Selection
(1)	Cases pertaining to survey u/s 133A of the Income-tax Act,1961 (Act) Assessments as a result of Survey u/s 133A of the Income-tax Act, 1961 (other than survey u/s 133A(2A) of the Act) leading to detection of specific information/ material pointing out tax evasion.	The cases shall be selected for compulsory scrutiny with prior administrative approval of Pr.CIT/Pr.DIT/CIT/DIT concerned, who shall ensure that such cases are transferred to Central Charges u/s 127 of the Act within 15 days of service of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer (JAO) concerned. <i>(For Assessing Officers in International Taxation and Central Circle charges: refer Para 4.1 at Page No. 05)</i>
(2)	Cases pertaining to Search and Seizure (i) <u>Search & seizure/ requisition prior to 01.04.2021:</u> Assessments in search & seizure cases to be made under Section 153C read with section 143(3) of the Act, and also for return filed for assessment year relevant to previous	The cases shall be selected for scrutiny with prior administrative approval of Pr. CIT/Pr. DIT/CIT/DIT concerned, who shall ensure that such cases are transferred to Central Charges u/s 127 of the Act within 15 days of service of notice u/s 143(2)/142(1) of the

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	year in which the search was conducted u/s 132 or requisition was made u/s 132A of the Act.	<p>Act by the Jurisdictional Assessing Officer concerned.</p> <p>Where such cases are not centralized and Return of Income is filed in response to notice u/s 153C, the Jurisdictional Assessing Officer concerned shall serve notice u/s 143(2) of the Act.</p> <p>Where such cases are not centralized and no Return of Income is filed in response to notice u/s 153C, the Jurisdictional Assessing Officer concerned shall serve notice u/s 142(1) of the Act calling for information.</p>
(ii)	<u>Search & seizure/ requisition on or after 01.04.2021:</u> Assessments in search & seizure cases/ requisitions cases u/s 132/132A conducted on or after 01.04.2021.	The cases shall be selected for scrutiny with prior administrative approval of Pr. CIT/Pr. DIT/CIT/DIT concerned, who shall ensure that such cases are transferred to Central Charges u/s 127 of the Act within 15 days of service of notice u/s 143(2)/142(1) of the Act by the Jurisdictional Assessing Officer concerned.
(3)	Cases in which notices u/s 142(1) of the Act, calling for return, have been issued & no returns have been furnished	<p>Cases where no return has been furnished in response to a notice u/s 142(1) of the Act.</p> <p>Jurisdictional Assessing Officers (JAOs) shall upload the underlying documents on the basis of which notice u/s 142(1) was issued on ITBA, for access by National Faceless Assessment Centre (NaFAC).</p> <p>The Directorate of Income-tax (Systems) shall forward these cases to NaFAC, which will take further necessary action.</p> <p>Further action as per the provisions of the Act shall be taken through NaFAC.</p> <p><i>(For Assessing Officers in International Taxation and Central Circle charges: refer Para 4.1 at Page No. 05)</i></p>
(4)	Cases in which notices u/s 148 of the Act have been issued	<p>Cases where return is either furnished or not furnished in response to notice</p> <p>(i) Cases, where notices u/s 148 of the Act have been issued pursuant to search & seizure/survey actions conducted on or</p>

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	u/s 148 of the Act.	<p>after the 1st day of April, 2021:</p> <p>These cases shall be selected for compulsory scrutiny with prior administrative approval of Pr.CIT/Pr.DIT/CIT/DIT concerned who shall ensure that such cases, if lying outside Central Charges, are transferred to Central Charges u/s 127 of the Act within 15 days of service of notice u/s 143(2)/142(1) of the Act calling for information by the Jurisdictional Assessing Officer concerned.</p> <p>(subject to para 4.2)</p> <p>(ii) Cases other than search & seizure/survey:</p> <p>a) For those cases which are to be completed by NaFAC on or before 31.03.2025, Jurisdictional Assessing Officers (JAOs) shall upload the underlying documents, on the basis of which notice u/s 148 was issued, on ITBA, for access by NaFAC.</p> <p>The Directorate of Income-tax (Systems) shall forward these cases to NaFAC, which will take further necessary action.</p> <p>Notice u/s 143(2)/142(1) of the Act calling for information shall be served on the assessee through NaFAC.</p> <p><i>(For Assessing Officers in International Taxation and Central Circle charges: refer Para 4.1 at Page No. 05)</i></p>
(5)	Cases related to registration/ approval under various sections of the Act, such as 12A, 12AB, 35(1)(ii)/ (iia)/ (iii), 10(23C)(iv)/(v)/(vi)/(via), etc.	<p>Cases where registration /approval under various sections of the Act, such as section 12A, 12AB, 35(1)(ii)/(iia)/(iii), 10(23C)(iv)/(v)/(vi)/(via), 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</p> <p>The Jurisdictional Assessing Officers (JAOs) shall prepare a list of cases falling under this parameter with prior administrative approval of Pr.CIT/Pr.DIT/CIT/DIT concerned.</p> <p>The consolidated list of such cases shall be submitted by the Pr.CIT/Pr.DIT/CIT/DIT to the Pr.CCIT concerned. Pr.CCIT concerned shall forward this list of cases to Directorate</p>

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	<p>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.</p>	<p>of Income-tax (Systems).</p> <p>Notice u/s 143(2) of the Act shall be served on the assessee through NaFAC.</p> <p>The Jurisdictional Assessing Officers shall upload the underlying documents containing specific information regarding this parameter immediately.</p> <p><i>(For Assessing Officers in International Taxation and Central Circle charges: refer Para 4.1 at Page No. 05)</i></p>
(6)	<p>Cases involving addition in an earlier assessment year(s) on a recurring issue of law or fact and/or law and fact</p> <p>Where the addition in an earlier assessment year(s) on a recurring issue of law or fact and/or law and fact (including transfer pricing issue) is:</p> <ul style="list-style-type: none"> a. exceeding Rs. 25 lakh in eight metro charges at Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Mumbai and Pune; b. exceeding Rs. 10 lakh in charges other than eight metro charges; <p>and where such an addition:</p> <ul style="list-style-type: none"> (i) has become final, as no further appeal has been preferred against the assessment order; or (ii) has been upheld by the Appellate Authorities in favour of Revenue; even if further appeal of assessee is pending, against such order. 	<p>The Jurisdictional Assessing Officers (JAOs) shall prepare a list of cases falling under this parameter with prior administrative approval of Pr.CIT/Pr.DIT/CIT/DIT concerned.</p> <p>The consolidated list of such cases shall be submitted by the Pr.CIT/Pr.DIT/CIT/DIT to the Pr.CCIT concerned. Pr.CCIT concerned shall forward this list of cases to Directorate of Income-tax (Systems).</p> <p>Notice u/s 143(2) of the Act shall be served on the assessee through NaFAC.</p> <p>The Jurisdictional Assessing Officers shall upload the underlying documents containing specific information regarding this parameter immediately.</p> <p><i>(For Assessing Officers in International Taxation and Central Circle charges: refer Para 4.1 at Page No. 05)</i></p>
(7)	<p>Cases related to specific information regarding tax-evasion</p> <p>Cases, in respect of which:</p> <ul style="list-style-type: none"> (a) specific information pointing out tax-evasion for the relevant 	<p>The Jurisdictional Assessing Officers (JAOs) shall prepare a list of cases falling under this parameter with prior administrative approval</p>

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	<p>assessment year is provided by any law-enforcement agency, (Investigation Wing/ Intelligence/ Regulatory Authority/ Agency, etc.) ; and</p> <p>(b) the return for the relevant assessment year is furnished by the assessee.</p>	<p>of Pr.CIT/Pr.DIT/CIT/DIT concerned.</p> <p>The consolidated list of such cases shall be submitted by the Pr.CIT/Pr.DIT/CIT/DIT to the Pr.CCIT concerned. Pr.CCIT concerned shall forward this list of cases to Directorate of Income-tax (Systems).</p> <p>Notice u/s 143(2) of the Act shall be served on the assessee through NaFAC.</p> <p>The Jurisdictional Assessing Officers shall upload the underlying documents containing specific information regarding this parameter immediately.</p> <p><i>(For Assessing Officers in International Taxation and Central Circle charges: refer Para 4.1 at Page No. 05)</i></p>

3. It is clarified that where return has been furnished in response to notice u/s 142(1) of the Act and such notice u/s 142(1) of the Act was issued due to the information contained in NMS Cycle/ AIS/ Statement of Financial Transactions (SFT)/ CPC-TDS information/ information received from Directorate of I&CI, such return will not be taken up for compulsory scrutiny. Selection of such cases for scrutiny will be done through CASS cycle.

4. The cases shall be selected for compulsory scrutiny by the International Taxation and Central Circle charges following the above prescribed parameters and procedure with prior administrative approval of Pr.CIT/Pr.DIT/CIT/DIT concerned. The information pertaining to Compulsory Scrutiny may not be transferred to NaFAC unless the case itself transferred. It is further clarified that communication to NaFAC for access and/or further action after selection for Compulsory Scrutiny will not apply to the International taxation and Central charges.

4.1. The cases which are selected for compulsory scrutiny by the International Taxation and Central Circle charges following the above parameters and procedure prescribed at Para 2, shall continue to be handled by International Taxation and Central Circle charges respectively, as earlier.

4.2. During the course of Search & Seizure action, information relating to some other persons, who may have one-off/ very few or limited financial transaction(s) with the main assessee group covered in the search u/s 132/132A of the Act, may be found. Such persons are not integrally connected with the core business of the main assessee searched and do not belong to the same business group. Often such persons are also not residing in the same city as that of the main assessee. In such cases, the relevant information is generally passed on to the jurisdictional AO

for assessing them u/s 148 (for searches conducted/requisition made after 01.04.2021) of the Income-tax Act, 1961. Accordingly, with reference to above-referred Parameter (4) of Para 2 of these Guidelines, it is clarified that all such non-search cases selected are not required to be transferred to the Central Charges unless covered by the Board's guidelines under F.No. 299/107/2013-IT(Inv.III)/1568 dated 25.04.2014.

5. As per the amendments brought by Finance Act 2021, the time limit for service of notice u/s 143(2) of the Act has been reduced to three months from end of the Financial Year in which the return is filed. Therefore, for the ITRs filed in the Financial Year (FY) 2023-24, the time limit for service of notice u/s 143(2) of the Act is **30.06.2024**.

(i) Accordingly, the following timelines shall be followed with regards to returns filed in the Financial Year (FY) 2023-24:

S. No.	Action	Last Date
1.	Selection and transfer of cases, for actions related to cases under Parameters at S.No.4(ii), 5, 6 and 7 of Para 2 above, wherein assessments have to be completed in faceless manner, to NaFAC.	31.05.2024
2.	Service of Notice u/s 143(2) of the Act in cases selected for Compulsory Scrutiny	30.06.2024

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

CD
(Dr.Castro Jayaprakash.T)
Under Secretary to Government of India

Copy to:

1. PS to FM/PS to MoS (F)
2. PS to Secretary (Revenue)
3. Chairman, CBDT & All Members, CBDT
4. All Joint Secretaries/CsIT, CBDT
5. DGIT (Systems)-Delhi and Bengaluru for necessary action w.r.t. point no. 3,4,5,6 and 7 of the table at Para 2, Para 3 and Para 5 above
6. Web Manager for uploading on the Departmental website
7. JDIT, Data-Base Cell for uploading on irsofficersonline website

T. Castro Jayaprakash
(Dr.Castro Jayaprakash.T)
Under Secretary to Government of India

New Delhi; dated 25th April, 2014

To,
All the Principal Chief Commissioners of Income Tax
All the Directors General of Income Tax(Inv.)
All the Chief Commissioners of Income Tax(Central)

Sir/Madam,

Sub: Transfer/Centralization of non-search cases under section 127 of the IT Act, 1961

Ref: Board's Guidelines under F. No. 286/88/2008-IT(Inv.II) dated 17.09.2008 on
centralization of search cases

I am directed to refer to the above and to say that based upon the aforesaid guidelines dated 17.09.2008 some of the CCsIT have raised doubts as to whether only search cases can be centralized/transferred u/s 127 of the IT Act, 1961.

2. The matter has been considered by the Board and it is clarified that the transfer/centralization of cases is done as per provisions of section 127 of the Act which is not limited to transfer/centralization of only search cases. The above mentioned guidelines do not deal with centralization or transfer of non search cases u/s 127 of the Act and are not intended to preclude centralization of non-search cases in any manner.

3. While it is neither feasible nor desirable to draw an exhaustive list of categories of non-search cases which may also be centralized, cases falling in the following categories (only illustrative) could be considered for the purpose:

- i. Non-search cases connected with the search cases where findings of the search have material bearing and needs of coordinated investigation/interest of revenue require such cases to be assessed in the Central Charge
- ii. Survey cases or enquiry cases (whether such enquiries were conducted by any wing of the department or an outside agency) wherein some organized/systematic manipulation of accounts/fraud/substantial revenue is involved and/or coordination with outside agencies or a large number of officers within the department is required
- iii. Cases arising out of a scam as a result of investigation/enquiry conducted by some other Law Enforcement Agency where needs of coordinated investigation/interest of revenue require centralization
- iv. Complex cases of substantial revenue implication requiring in-depth investigation
- v. Any other case which is required to be centralized for administrative requirement or other reasons stated by the DsGIT/CCsIT, as the case may be

4. This may be brought to notice of all concerned within your Region for compliance.

Yours faithfully,

Sunita Verma
Sunita Verma
(Sunita Verma)
Director (Inv.III)

*Issued
25/4/2014*