

Instruction No. 10/2013

F.No. 225/107/2013/ITA.II  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

North-Block, ITA-II, Division  
New Delhi the 20<sup>th</sup> of September, 2013

To  
All Chief-Commissioners of Income-tax  
All Directors-General of Income-tax

Sir/Madam

**Subject: Compulsory manual selection of cases for scrutiny during the F.Yr. 2013-14-regd:-**

I am directed to state that Instruction No. 10 of 2013 dated 05.08.2013 of CBDT on the above captioned subject is partially modified as under:-

2. In Para 3, after clause (i), following clause(s) have been inserted:-

(j) Cases where registration u/s 12 AA of the IT Act has not been granted or has been cancelled by the CIT/DIT and the assessee has been found claiming tax-exemption under section 11 of the IT Act. However, the cases where such order of CIT/DIT has been reversed/set-aside in appellate proceedings will not be picked up for scrutiny under this clause.

(k) Cases where order denying the approval u/s 10(23C) of the IT Act or withdrawing the approval already granted has been passed by the Competent-Authority and the assessee has been found claiming tax-exemption under the aforesaid provision of the IT Act.

3. I am further directed to state that the above may be brought to the notice of all officers working under your jurisdiction for necessary compliance.

Rg

(Rohit Garg)

Deputy-Secretary to Government of India

**Copy to:**

- 1) Chairperson, CBDT & All Members, CBDT.
- 2) DIT(PR,PP&OL), Mayur Bhawan, N.Delhi.
- 3) The Comptroller and Auditor-General of India.
- 4) ITCC Division, CBDT
- 5) NIC, M/o Fin-for uploading on the Department's website.
- 6) Data-Base Cell for uploading on irs officers website.

Rg

(Rohit Garg)

Deputy-Secretary to Government of India

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F.No. 225/107/2013/ITA.II  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

North-Block ITA- II- Division  
New Delhi, the 5<sup>th</sup> of August, 2013

To  
All Chief -Commissioners of Income-tax  
All Directors-General of Income-tax

Sir/Madam

**Subject: Procedure and criteria for selection of scrutiny cases under compulsory manual during the financial-year 2013-2014-regd:-**

*In supersession of earlier Instructions on the above subject, the Board hereby lays down the following procedure and criteria for manual selection of returns/cases for scrutiny during the financial-year 2013-2014:*

2. The targets for completion of scrutiny assessments and strategy of framing quality assessments as contained in Central Action Plan document for Financial Year 2013-2014 has to be complied with. It is being reiterated that all scrutiny assessments including the cases selected under manual criteria will be completed through AST system software only.

3. The following categories of cases/returns shall be compulsorily scrutinized:-

- Rg
- a) Cases where value of international transaction as defined u/s 92B of IT Act exceeds Rs.15 crores.
  - b) Cases involving addition in an earlier assessment year on the issue of transfer pricing in excess of Rs. 10 Crores or more which is confirmed in appeal or is pending before an appellate authority.
  - c) Cases involving addition in an earlier assessment year in excess of Rs. 10 lacs on a substantial and recurring question of law or fact which is confirmed in appeal or is pending before an appellate authority.
  - d) All assessments pertaining to Survey under section 133A of the IT Act excluding the cases where there are no impounded books of accounts/documents and returned income excluding any disclosure made during the Survey is not less than returned income of preceding assessment year. However, where assessee retracts the disclosure made during the Survey will not be covered by this exclusion.
  - e) Assessment in search and seizure cases to be made under sections 158B, 158BC, 158BD, 153A & 153C read with 143(3) of the IT Act.
  - f) All returns filed in response to notice u/s 147/148 of the IT Act.
  - g) Cases claiming exemption of income u/s 11 or u/s 10(23C) which are hit by proviso(s) to Section 2(15) of IT Act.
  - h) Entities which received Donations from countries abroad in excess of Rs. One crore during the Financial Year 2011-2012 (relevant for the A.Yr. 2012-2013) under the provisions of Foreign Contribution Regulation Act (FCRA). Such information is maintained by Ministry of Home Affairs

and is available on its Website (<http://mha.nic.in/fcra.htm>). Respective Cadre-Controlling Chief-Commissioners/Directors-General of Income-tax may identify the cases pertaining to their respective jurisdiction after downloading from the website and disseminate the information to various field offices.

- i) Cases in respect of which information is received from other Government Department(s) or other authorities pointing out tax evasion. The Assessing Officer shall record reasons in such cases and take approval from jurisdictional CCIT/DGIT before selecting such case for scrutiny.
4. In order to ensure the quality of assessment orders, CCsIT/DGsIT would evolve suitable monitoring mechanism. They shall analyse at least 50 quality assessments of their respective charges and send the report to respective Zonal Member with copy to Member (IT) with suggestions for improvement by 30<sup>th</sup> April, 2014. CCsIT/DGsIT would further ensure that cases selected for publication in 'let us share' are picked up from quality assessments as reported.
5. These Instructions may be brought to the notice of all concerned.

Rg

(Rohit Garg)  
Deputy Secretary to Government of India

Copy to:-

1. PS to F.M./OSD to FM/PS to MOS(R)/OSD to MOS(R).
2. PS to Secretary (Revenue).
3. Chairperson (DT), All Members, Central Board of Direct Taxes.
4. All DGsIT /CCsIT
5. DGIT(Systems), New Delhi, for putting it on website.
6. All Joint Secretaries/CsIT, CBDT
7. Addl. DIT, Database Cell for uploading on Departmental website
8. Directors/Deputy Secretaries/Under Secretaries of Central Board of Direct Taxes.
9. The C&AG of India (30 copies).
10. The JS & Legal Advisor, Min. of Law & Justice, New Delhi.
11. The Director General of Income Tax, NADT, Nagpur.

Rg

(Rohit Garg)  
Deputy Secretary to Government of India