

F.No. DGIT(Vig.)/HQ/SI/ 2017-18

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi-110001

Dated: 30th November, 2017

Subject: Unauthorized expansion of the scope of limited scrutiny – instructions – reg.

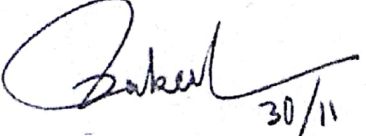
CBDT has issued detailed guidelines/ directions for completion of cases of limited scrutiny selected through CASS module. These guidelines postulate that an Assessing Officer, in limited scrutiny cases, cannot travel beyond the issues for which the case was selected. The idea behind such stipulations was to enforce checks and balances upon powers of an AO to do fishing and roving inquiries in cases selected for limited scrutiny.

2. Further, the guidelines for proper maintenance of order sheets have been given in the Manual of Office Procedure issued by the Directorate of Organisation and Management Services. The Manual clearly lays down: -

- A. The minutes of the hearing must be entered with date, in the order-sheet.
- B. Make proper order-sheet entries for each posting, hearing and seeking and granting of adjournments.
- C. If nobody attends a hearing or the request for adjournment comes after the hearing date, enter the facts in the order-sheet.

Maintenance of a cursory and cryptic order sheet shows irresponsible, ad hoc and undisciplined working of any officer.

3. Instances have come to notice of CBDT where some Assessing Officers are travelling beyond their jurisdiction while making assessments in Limited Scrutiny cases by initiating inquiries on new issues without complying with mandatory requirements of the relevant CBDT Instructions dated 26.09.2014, 29.12.2015 and 14.07.2016. These instances have been viewed very seriously by the CBDT and in one case the Central Inspection Team of the CBDT was tasked with examination of assessment records on receipt of allegations of several irregularities. Amongst other irregularities, it was found that no reasons had been recorded for expanding the scope of limited scrutiny, no approval was taken from the PCIT for conversion of the limited scrutiny case to a complete scrutiny case and the order sheet was maintained very perfunctorily. This gave rise to a very strong suspicion of mala fide intentions. The Officer concerned has been placed under suspension.


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4. In view of discussion in the preceding paragraphs it is once again reiterated that the Assessing Officers should abide by the instructions of CBDT while completing limited scrutiny assessments and should be scrupulous about maintenance of note sheets in assessment folders.

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(Rakesh Gupta)
ADG (V) HQ-I
New Delhi

To,

All Assessing Officers

Copy for information to:

1. PPS to the Chairman, CBDT,
2. PPS to the Member (Admin), CBDT,
3. All Pr. CCsIT
4. The ADG (Vig) NZ/ SZ/ EZ/ WZ
- ✓ 5. The webmaster for uploading on www.irsofficersonline.gov.in


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