

कार्यालय : प्रधान मुख्य आयकर आयुक्त, गुजरात,  
अहमदाबाद

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Dated: 19 August 2015

p.Pr.CC/Guj./Coord./Workload/2015-16

o,

The Chief Commissioners of Income tax-1 & 2, Ahmedabad,  
The Chief Commissioners of Income tax -Baroda/Rajkot/Surat

Sir,

**Sub : Completion of Scrutiny Assessment as part Central  
Action Plan – 2015-16 – Regarding**

Kindly refer to the above.

2. As per para-vi under (A) strategy for quality in assessment work of Part-2 of Central Action Plan 2015-16,

*“Keeping in view the intent of Government to usher in a non-intrusive system of tax administration, Board vide Instruction No. 7/2014 dated 26.09.2014 has directed that in cases selected for scrutiny assessment during the Financial Year 2014-2015 under CASS on basis of AIR/CIB data/26AS mis-match, only those specific aspects would be examined during scrutiny and wider scrutiny would be possible in such cases in exceptional circumstances only. This initiative would definitely reduce instances of issuing non-specific queries in course of scrutiny proceedings and making frivolous additions.”*

3. Reference is also invited to the Action Points emerging out of the meeting of the Principal Chief Commissioner, Gujarat with the CCsIT 1, 2 and TDS, Ahmedabad and PCsIT of Ahmedabad and CIT (TDS), Ahmedabad held on 01.07.2015, extract of which is as under:

*“The Pr. CCIT also observed that the scrutiny cases selected under CASS had to be completed based on the Instr. No.7 of 2014. Approval for complete scrutiny, by the PCsIT in cases of limited scrutiny, where tax*

metros shall be granted in the most **judicious manner and not in a routine manner**. And the cases where approval are so granted shall be properly monitored by the PCIT as well as by the Range Head to ensure that there is no hardship/harassment to the assesseees."

4. Further, representative of All Gujarat Federation of Tax Consultant have met PCIT and brought to his notice that, during the assessment, Assessing Officers are calling many information that are not relevant.

5. In this connection, I am directed to request you to direct the officers of your region that the scrutiny cases selected under 'limited scrutiny' should to be completed as per the directions given in Instruction No.7 of 2014 [F.No. 225/229/2014-ITA-II] dated 26.9.2014.

Yours faithfully,

(RAHUL KUMAR) Jt. CIT(HQ)(Coord.)  
For Pr. Chief Commissioner of Income-Tax,  
Gujarat, Ahmedabad

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प्रधान मुख्य अधिकारी आयुक्त, गुजरात, अहमदाबाद  
Principal Chief Commissioner of Income-Tax,  
Gujarat, Ahmedabad-380009.

4-15 pm 19 AUG 2015

कार्यालय मुख्य आयकर आयुक्त अहमदाबाद-II, अहमदाबाद.	
प्राप्ति दिनांक	19 AUG 2015
हस्ताक्षर	क्रमांक

मुख्य आयकर आयुक्त, अहमदाबाद-I, अहमदाबाद.	
प्राप्ति दिनांक	19 AUG 2015
हस्ताक्षर	क्रमांक

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**INSTRUCTION NO.7/2014 [F.NO.225/229/2014-ITA.II] - SECTION 143,  
READ WITH SECTION 142 OF THE INC...**

**SECTION 143, READ WITH SECTION 142 OF THE INCOME-TAX ACT, 1961 - ASSESSMENT -  
SCOPE OF ENQUIRY IN CASES SELECTED FOR SCRUTINY DURING FINANCIAL YEAR 2014-  
15 ON BASIS OF AIR/CIB/26AS MISMATCH**

**INSTRUCTION NO.7/2014 [F.NO.225/229/2014-ITA.II], DATED 26-9-2014**

It has come to the notice of the Board that during the scrutiny assessment proceedings some of the AOs are routinely calling for information which is not relevant, for enquiry into the issues to be considered. This has been causing undue harassment to the taxpayers and has also drawn adverse criticism from several quarters. Further, feedback and analysis of such orders indicates that many times the core issues, which formed the basis of selection of the case for scrutiny were not examined properly. Such instances primarily occurred in cases selected for scrutiny under Computer Aided Scrutiny Selection ('CASS') for verification of specific information obtained from third party sources which apparently did not match with the details submitted by the taxpayer in the return- of-income.

2. Therefore, for proper administration of the Income-tax Act, 1961 ('Act'), Central Board of Direct Taxes, by virtue of its powers under section 119 of the Act, in supersession of earlier instructions/guidelines on this subject, hereby directs that the cases selected for scrutiny during the Financial Year 2014-20(15 under CASS, on the basis of either AIR data or CIB information or for non re-reconciliation with 26AS data, the scope of enquiry should be limited to verification of these particular aspects only. Therefore, in such cases, an Assessing Officer shall confine the questionnaire and subsequent enquiry or verification only to the 2 specific point(s) on the basis of which the particular return has been selected for scrutiny.

3. The reason(s) for selection of cases under CASS are displayed to the Assessing Officer in AST application and notice u/s 143(2), after generation from AST, is issued to the taxpayer with the remark "Selected under Computer Aided Scrutiny Selection (CASS)". The functionality in AST is being modified suitably to flag the reasons for scrutiny selection in AIR/CIB/26AS cases. This functionality is expected to be operationalised by 15th October, 2014. Further, the Assessing Officer while issuing notice under section 142(1) of the Act which is enclosed with the first questionnaire would proceed to verify only the specific aspects requiring examination/verification. In such cases, all efforts would be made to ensure that assessment proceedings are completed expeditiously in minimum possible number of hearings without unnecessarily dragging the case till the time-barring date.

4. In case, during the course of assessment proceedings, it is found that there is potential escapement of income exceeding Rs. 10 lakhs (for non-metro charges, the monetary limit shall be Rs. 5 lakhs) on any other issue(s) apart from the AIR/CIB/26AS information based on which the case was selected under CASS requiring substantial verification, the case may be taken up for comprehensive scrutiny with the approval of the Pr. CIT/DIT concerned. However, such an approval shall be accorded by the Pr. CIT/DIT in writing after being satisfied about merits of the issue(s) necessitating wider and detailed scrutiny in the case. Cases so taken up for detailed scrutiny shall be monitored by the Jt. CIT/Addl. CIT concerned.

5. The contents of this Instruction should be immediately brought to the notice of all concerned for strict compliance.

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