

Guidelines for selection of cases for scrutiny during the financial-year 2017-18

(CBEC Instruction No.5/2017, dt.7 July 2017)

1. In supersession of earlier Instructions on the above subject, the Board hereby lays down the following procedure and criteria for compulsory manual selection of returns/ cases requiring scrutiny during the financial-year 2017-18:
 - (i) Cases involving addition in an earlier assessment year(s) on a recurring issue of law or fact of following amounts:
 - A. in excess of ₹ 25 lakhs in eight metro charges at Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Mumbai and Pune, while at other charges, quantum of such addition should exceed ₹ 10 lakhs;
 - B. for transfer pricing cases, quantum of such addition should exceed ₹ 10 crore and where:
 - a) such an addition in assessment has become final as no further appeal was/ has been filed; or
 - b) such an addition has been confirmed at any stage of appellate process in favour of revenue and assessee has not filed further appeal; or
 - c) such an addition has been confirmed at 1st appeal stage in favour of revenue or subsequently and further appeal of assessee is pending.
 - (ii) All assessments pertaining to Survey under section 133A of the Income-tax Act, 1961 ('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 the assessee retracts from disclosure made during the Survey, such cases will not be covered by this exclusion.
 - (iii) Assessments in search and seizure cases to be made under Section(s) 158B, 158BC, 158BD, 153A & 153C read with section 143(3) of the Act and also for the returns filed for the assessment year relevant to the previous year in which authorization for search and seizure was executed u/s 132 or 132A of the Act.
 - (iv) Return filed in response to notice u/s 148 of the Act.
 - (v) Cases where registration/ approval under various sections of the Act such as 12A, 35(1)(ii)/(iii), 10(23C), etc. of the Act have not been granted or have been cancelled/ withdrawn by the competent authority, yet the assessee has been claiming tax-exemption/ deduction in the return. However, where such order of withdrawal of registration/ approval has been reversed/ set-aside in appellate proceedings, those cases will not be selected under this clause.
 - (vi) Cases in respect of which specific and verifiable information pointing out tax-evasion is given by any Government Department/ Authority. However, before selecting a case for scrutiny under this criterion, Assessing Officer shall take prior administrative approval from the concerned jurisdictional Pr. CIT/Pr.DIT/CIT/DIT.
2. Computer Aided Scrutiny Selection (CASS): Cases are also being selected under CASS-2017 on the basis of broad based selection filters and in a non-discretionary manner in two categories viz. Limited Scrutiny & Complete Scrutiny. List of such cases is being separately intimated by Pr. DGIT (Systems) to the concerned jurisdictional authorities for further action in these cases.