

F.No.225/37/2025/ITA-II
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

North Block, New Delhi,
13th June, 2025

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 2025-26 – 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 2025-26 and procedure for compulsory selection in such cases are prescribed as under:

Systems Scenario code	Parameters	Procedures
CS 01	Cases pertaining to survey u/s 133A of the Income-tax Act,1961 (Act)- Case(s) of the assessee(s), in whose case survey u/s 133A of the Act (other than survey u/s 133A(2A) of the Act) has been conducted on or after 01.04.2023.	Cases shall be selected for compulsory scrutiny under this parameter by Directorate of Income-tax (Systems) with the approval of DGIT(Systems), Delhi on the basis of information of survey cases provided by CIT(Inv)(OSD), Investigation Division, CBDT. Notice u/s 143(2) of the Act shall be served on the assessee through the Jurisdictional Assessing Officer or the Prescribed authority. If these cases are lying outside Central charges, Pr. CIT/ Pr. DIT/ CIT/ DIT concerned 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.

CS 02	<u>Cases pertaining to Search & seizure/ requisition on or after 01.04.2023 but before 01.09.2024:</u> Case(s) of the assessee, in whose case Search u/s 132 of the Act was initiated or Requisition u/s 132A of the Act was made, on or after 01.04.2023 but before 01.09.2024.	<u>For parameters CS 02 and CS 03:</u> 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)/142(1) of the Act by the Jurisdictional Assessing Officer (JAO) concerned. <i>(For Assessing Officers in International Taxation and Central Circle charges refer Para 5 at Page No.04.)</i>
CS 03	<u>Search & seizure/ requisition on or after 01.09.2024 but before 01.04.2025:</u> Case(s) for the Assessment Year 2025-26 of the assessee(ss), in whose case Search u/s 132 of the Act was initiated or Requisition u/s 132A of the Act was made, on or after 01.09.2024 but before 01.04.2025.	
CS 04	<u>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.</u> 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. (i) has not been granted or has been cancelled/withdrawn by the Competent Authority on or before 31.03.2024 , and (ii) the assessee has been found to be claiming tax-exemption/deduction in the return filed in ITR-7. 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.	Cases shall be selected for compulsory scrutiny using this parameter by Directorate of Income-tax (Systems) with the approval of DGIT(Systems), Delhi on the basis of returns filed by these entities in FY 2024-25. Notice u/s 143(2) of the Act shall be served on the assessee through NaFAC. The Jurisdictional Assessing Officers shall upload the underlying documents containing specific information regarding this parameter immediately.

CS 05	<u>Cases involving addition in an earlier assessment year(s) on a recurring issue of law or fact and/or law and fact:</u> 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: - exceeding Rs. 50 lakh in eight metro charges at Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Mumbai and Pune; - exceeding Rs. 20 lakh in charges other than eight metro charges; and where such an addition: - has become final, as no further appeal has been preferred against the assessment order; or - has been upheld by the Appellate Authorities in favour of Revenue; even if further appeal of assessee is pending, against such order.	<u>For Parameters at CS05 and CS 06:</u> The Jurisdictional Assessing Officers (JAOs) shall prepare a list of cases falling under this parameter and the same may be submitted for the administrative approval of Pr.CIT/Pr.DIT/CIT/DIT concerned. 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 the Directorate of Income-tax (Systems) latest by 23.06.2025. Notice u/s 143(2) of the Act shall be served on the assessee through NaFAC.
CS06	<u>Cases related to specific information regarding tax-evasion:</u> Cases, in respect of which: - specific information pointing out tax-evasion for the relevant assessment year is provided by any law-enforcement agency, (Investigation Wing/ Intelligence/ Regulatory Authority/ Agency, etc.) ; and - the return for the relevant assessment year is furnished by the assessee.	The Jurisdictional Assessing Officers shall upload the underlying documents containing specific information regarding this parameter immediately. <i>(For Assessing Officers in International Taxation and Central Circle charges refer Para 5 at Page No.04)</i>

3. **Clarification:** 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 the CASS cycle.

4. **Issuance of notice u/s 143(2) in certain cases:**

4.1 Jurisdictional Assessing Officers (JAOs) shall upload the underlying documents for access by NaFAC in the following cases which are to be completed by NaFAC on or before **31.03.2026** and Notice u/s 143(2)/142(1) of the Act calling for information shall be served on the assessee through NaFAC in these cases:

(a) Cases (other than search & seizure/survey) in which notices u/s 148 of the Act have been issued where return is either furnished or not furnished in response to notice u/s 148 of the Act.

(b) Cases in which notices u/s 142(1) of the Act calling for return, have been issued & no returns have been furnished.

4.2. Cases, where notices u/s 148 of the Act have been issued pursuant to *search & seizure/survey actions conducted on or after the 01.04.2021 but before 01.09.2024*, if lying outside Central Charges,

(i) where return is furnished, the Jurisdictional Assessing Officer (JAO) concerned shall serve the Notice u/s 143(2) of the Act and Pr.CIT/Pr.DIT/CIT/DIT concerned shall ensure that such cases transfer these cases to central charges u/s 127 of the Act.

(ii) where return is not furnished, these cases shall be transferred to central charges for further necessary action.

4.3 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. It is clarified that all such non-search cases selected u/s 148 of the Act 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. **For Assessing Officers in International Taxation and Central Circle charges:**

5.1 The cases shall be selected for compulsory scrutiny by the International Taxation and Central Circle charges following the above prescribed parameters at Para 2 with prior administrative approval of Pr.CIT/Pr.DIT/CIT/DIT concerned and these selected cases for compulsory scrutiny shall continue to be handled by International Taxation and Central Circle charges respectively, as earlier.

5.2 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.

6. **Time limit:** As per the proviso to section 143(2) of the Act, the time limit for service of notice u/s 143(2) of the Act for the ITRs filed in the Financial Year (FY) 2024-25 which are selected for Compulsory Scrutiny is **30.06.2025**.

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

T. Jayaprakash.T
(Dr.Castro Jayaprakash.T)

Under Secretary to Government of India

Copy to:

1. Chairman, CBDT & All Members, CBDT
2. All Joint Secretaries/CsIT, CBDT
3. All Directors/Deputy Secretaries, CBDT
4. DGIT (Systems)-Delhi and Bengaluru for necessary action
5. Web Manager for uploading on the Departmental website
6. JDIT, Data-Base Cell for uploading on irsofficersonline website
7. Guard file

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(Dr.Castro Jayaprakash.T)

Under Secretary to Government of India

