

Instruction No. 17/2015

F. No.225/290/2015-ITA-II
Government of India
Ministry of Finance
Department of Revenue (CBDT)

North Block , New-Delhi dated the 9th November , 2015

To,
All Pr. CCsIT/DsGIT/CCIT(Exemptions)/Pr. CCIT(International-tax)

Subject: Constitution of Local Committees to deal with Taxpayers Grievances from High Pitched Scrutiny Assessment- reg.-

Sir/Madam,

Board has consistently been advising the field authorities to be fair, objective and rational while framing scrutiny assessment orders. Role of supervisory authorities in this regard, has also been highlighted by the Board from time to time. It has, however, been brought to the notice of Board that the tendency to frame high-pitched and unreasonable assessment orders is still persisting due to which grievances are being raised by the taxpayers. Such grievances not only reflect harassment of taxpayers but also lead to generation of unproductive work for Department.

2. In view of the above, a need has been felt to lay down an institutional mechanism to quickly resolve the taxpayers' grievances arising on account of high-pitched and unreasonable additions made by the Assessing Officers. CBDT has decided that following measures may be taken in the field formation for handling taxpayers' grievances arising from high-pitched scrutiny assessment orders-

- (i) Local Committees to deal with Taxpayers Grievances from high-pitched scrutiny assessment ('Local Committee') are required to be constituted in each Pr. CCIT region across the country. Ideally, the Local Committee may consist of three members of Pr. CIT/CIT rank. The members can be selected from the pool of officers posted as Pr . CsIT, CIT (Judicial) and CsIT (DR), ITAT at the station where the Headquarters of the respective Pr. CCIT is located . The Addl. CIT (Headquarters), to such Pr. CCIT would act as a Member- Secretary to the Local Committee. The senior most Member would be designated as the Chairman of the Committee.
- (ii) The Local Committees so constituted would deal with the grievance petitions related to high-pitched scrutiny assessments completed within the Jurisdiction of the respective Pr . CCIT These Committees would also handle the grievances pertaining to Central Charges located under the territorial jurisdiction of the Pr. CCIT concerned.
- (iii) Similar committees would also be setup in the charges of Pr. CCIT (Inti. Tax.) and CCIT (Exemptions). In these committees, the Officers working as CsIT (International Taxation/

This document has been compiled as service to our clients. We recommend that you seek professional advise prior to initiating action on specific issues.

Lunawat & Co.

Chartered Accountants

E-mail: ca@lunawat.com, lunawat@vsnl.com.

Website: www.lunawat.com.

Transfer Pricing) and CsIT (Exemptions) respectively could be selected as Members . The Addl. CIT (Headquarters) to Pr. CCIT (Intl Tax.)/CCIT (Exemptions) would act as a Member- Secretary to these Local Committees.

- (iv) The Committees may co-opt other members, if necessary.
- (v) A grievance petition received by the Local Committee would be immediately acknowledged and separate record would be maintained for dealing with such petitions.
- (vi) It shall be the endeavor of the Local Committee to dispose of each grievance petition within two months :from the end of the month in which such Grievance Petition is received by it.
- (vii) The grievance petition received by the Local Committee would be examined by it to ascertain whether there is a prima-facie case of high-pitched assessment, non-observance of principles of natural justice, non-application of mind , gross negligence or lack of involvement of assessing officer. The Committee would ascertain whether the addition made in assessment order are not backed by any sound reason or logic, the provisions of law have grossly been misinterpreted or obvious and well established facts on records have out rightly been ignored. The Committee would also take into consideration whether the principles of natural justice have been followed by the assessing officer.
- (viii) If it is established that unreasonable and high-pitched additions have been made by the assessing officer, a report would be sent to the Pr . CCIT/Pr. CCIT (Intl Tax.)/CCIT (Exemptions) , as the case may be, by the Local Committee. The Pr. CCIT/CCIT, after considering the views of the committee, would take suitable administrative action, wherever required. Further, departmental position as determined by the Local Committee in such cases would be appropriately presented before the Appellate Authorities so that litigation is curtailed.
- (ix) It is, however, clarified that the purpose of constitution of Local Committee is to effectively and efficiently deal with the genuine grievances of taxpayers and help in supporting an environment where assessment orders are passed in a fair and reasonable manner. The Local Committee, in no way, can be considered to be an alternative /additional appellate channel.

3. The Board has emphasized that the task of constitution of Local Committees be finalized in this month itself and a report on compliance may be sent by the Pr. CCsIT/Pr. CCIT (Intl.Tax.)/CCIT(Exemptions) to their respective Zonal Members with a copy to Member (IT), CBDT. It has also been desired that the outcome of Local Committee's work may be highlighted in each monthly DOs required to be sent to the Zonal Members.

(Ankita Pandey)
DCIT(OSD) ITA-II

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