

SCRUTINY ASSESSMENTS – DOCUMENTATION AND SUBMISSIONS

SCRUTINY ASSESSMENTS DOCUMENTATION AND SUBMISSIONS

WESTERN INDIA REGIONAL COUNCIL

J.B.NAGAR CPE STUDY CIRCLE

JANUARY 2014

***I AM THE COUNTRY'S DRAFTSMAN,
I DRAFT THE COUNTRY'S LAWS,
FOR MOST OF THE LITIGATION,
I AM THE CAUSE!***

AS QUOTED BY JUSTICE SMT. SUJATA MANOHAR

SCRUTINY ASSESSMENTS – DOCUMENTATION AND SUBMISSIONS

OVER VIEW:

- Types of Assessments:
 - Summary Assessments
 - Scrutiny Assessments
 - Reassessment
 - Best Judgments Assessments(Exparte Assessments)
 - Search Related Assessments
 - TDS Assessments

SCRUTINY ASSESSMENTS – DOCUMENTATION AND SUBMISSIONS

ASSESSMENTS

- Annexureless Returns – limited disclosures in the return itself
- Letter to the AO with copy of return, Computation and all notes, contentions, enclosures. NO STATUTORY requirement
- Summary Assessments: Notice u/s 143(1) appealable
 - Scrutinise thoroughly for
 - date
 - assessed income – head wise
 - tax calculation
 - Credit for taxes paid/ claimed
 - Interest Charged / granted – dates and amount
 - if aggrieved Appeal within 30 days

SCRUTINY ASSESSMENTS – DOCUMENTATION AND SUBMISSIONS

ASSESSMENTS

- Scrutiny cases
 - Notice u/s 143(2)/142 whether notice is in time.
 - Provide hard copy of return, computation, Financial Statements, Tax Audit Report, other reports in support of claimed of deductions/reliefs, all supporting documents for TDS/TCS, Tax credits claimed
 - Whether Questionnaire received – general v specific.
 - Response to Questionnaire received – respond point wise.
 - Providing details even if not called for by Assessing Officer – particularly for specific claims made.
 - Covering letter is advisable, listing out the details being submitted one copy in tapal
 - Page numbering of documents submitted
 - Copying down Order Sheet

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ASSESSMENTS

- Scrutiny cases
 - Notices u/s 133(6) / 131
 - Reply to Notice u/s 133(6) as seriously and meticulously as your own case of scrutiny. Today you have received a notice for your corresponding customer / vendor, tomorrow he will receive a notice in your case.
 - We have to deal with our parties life long, the department may be verifying once in a way
 - Primary evidence v. secondary evidence
 - Discharge you onus fully
 - Ask AO to use his powers u/s 131, he has them, not you!
 - Notices u/s 154 issued by the AO:
 - time limit
 - whether it is a mistake apparent from record or does it tantamount to a change of opinion.
 - Audit Objections – though not communicated officially, it is an opportunity to the AO to take an adverse position, so defend forcefully.

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ASSESSMENTS

- Notice u/s 148
 - Check whether notice is time barred
 - Immediately respond to the notice and ask for copy of reasons recorded in writing.
 - file return or respond stating that return originally filed may be regarded as return in response to notice u/s 148
 - Having filed the return insist and follow up for copy of reasons recorded
 - On obtaining copy check whether same recorded before or after issue of notice u/s 148
 - File Objections to the reasons recorded
 - AO is bound to pass an order in response to Objections filed – this order is not appealable, as no demand is raised – but

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ASSESSMENTS

- Order u/s 143(3)/ 144/ Penalty Order
 - Date of passing the order – whether time barred
 - Signature, stamp, seal and demand notice
 - Note date of receipt
 - Check pages – numbering, legibility, annexure if any
 - Whether each point discussed in the body has been given effect to in the final computation correctly.
 - Check totaling of final computation and any calculations made in the order.
 - Heads of income returned and assessed.
 - Specific mention of carry forward of losses
 - Whether penalty proceedings initiated.
 - Issues discussed and not reflected
 - Tax / interest / penalty calculation, correctness

Thank you for a patient
listening!