

## Tax Hotline

October 31, 2000

### ALL INCOME TAX RETURNS SHALL NOT BE SUBJECT TO SCRUTINY

The Central Board of Direct Taxes (CBDT) has recently issued a circular barring the assessing officers from scrutinizing income tax returns, except in cases of glaring tax concealment.

Such a decision was taken by the CBDT a couple of months ago to enable the officers to complete the ongoing computerization process, the first phase which is scheduled to be completed by March 2001. However chief commissioners are vested with powers to order a scrutiny of a return if they suspect income concealment.

The chief commissioner is reported to have said that even after the completion of the first phase of the computerization process the computers would do such a scrutiny. Computerized scrutiny models that are in vogue in other countries are being examined to determine which system would be the most suitable for the Indian scenario.

In a fully developed computer system all the transactions in which Permanent Account Numbers (PAN) are recorded will be matched with the returns of the assessee so that no transaction goes undetected. It is reported that there shall soon be an amendment to the Income Tax Act, 1961, whereby it would become mandatory to record the PAN on all transactions.

*Source: The Economic Times, October 31, 2000*

### DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

## Research Papers

### Mergers & Acquisitions

July 11, 2025

### New Age of Franchising

June 20, 2025

### Life Sciences 2025

June 11, 2025

## Research Articles

### 2025 Watchlist: Life Sciences Sector India

April 04, 2025

### Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

### INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

## Audio

### CCI's Deal Value Test

February 22, 2025

### Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

### Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

## NDA Connect

Connect with us at events, conferences and seminars.

## NDA Hotline

[Click here to view Hotline archives.](#)

## Video

### Reimagining CSR: From Grant Giving to Blended Finance & Outcome Based Funding

June 16, 2025

### Courts vs Bankruptcy code: The

