

Implementation of the Right to Information Act 2005 in Income Tax Department

In order to promote transparency and accountability in the working of public authorities, the Right to Information Act 2005 (RTI Act 2005) empowers the citizens to have access to information under the control of public authorities.

This website aims to provide all information that the Income Tax Department is required to publish in terms of Section 4 of the RTI Act 2005.

The Income Tax Department functions under supervision and control of the Central Board of Direct Taxes (CBDT). It has around 60,000 personnel located in more than 500 cities and towns across the country. The field offices are divided into regions, and each region is headed by a Chief Commissioner of Income Tax. Every region is assigned annual performance targets, such as revenue collections, and is provided with necessary expenditure budget to meet with its operating expenses.

The Income Tax Act 1961 lays down the frame work or the basis of charge and the computation of total income of a person. It also stipulates the manner in which it is to be brought to tax, defining in detail the exemptions, deductions, rebates and reliefs. The Act defines Income Tax Authorities, their jurisdiction and powers. It also lays down the manner of enforcement of the Act by such authorities through an integrated process of assessments, collection and recovery, appeals and revisions, penalties and prosecutions. The Act is fast changing and dynamic in nature and undergoes amendments annually through the Finance Act.

In exercise of the powers conferred by section 295 of the Income Tax Act 1961 and Rule 15 of Part A, Rule 11 of Part B and Rule 9 of Part C of the Fourth Schedule to the Act, the CBDT has notified Income Tax Rules 1962. These Rules lay down limits, conditions, definitions, explanations, and forms of applications and procedures for the uniform application of the Income Tax Act.

Other direct taxes are also governed through similar arrangements. Various offices of the Income Tax department maintain technical and administrative records as specified from time to time by the CBDT. Circulars are issued from time to time by the CBDT for effective management of assessment and collection of direct taxes.

The Manual of Office Procedure, in three volumes, deals with the administrative aspects, composition and organization of the Income Tax Department. The work allocation and such personnel matters as departmental examinations, confidential reports, vigilance, training and the grievance redressal mechanism. Vol II deals with technical aspects, assessment procedures, widening of tax base, central information branches, refunds, recovery, write off, interest, penalties, prosecution, appeals and revisions. Vol III deals with miscellaneous subjects such as Authority for Advance Ruling, Settlement Commission, search and seizure, internal audit, revenue audit, inspection and important reports.

Internal Audit Manual contains guidelines relating to conduct of internal audit and is relevant in that, it prescribes checks for detecting leakage of revenue. The Manual defines the scheme of auditing and lays down the role and functions of various authorities in this regard. It also prescribes the records/registers to be maintained. Manual of Inspection Guidelines, inter-alia, prescribes the guidelines for the qualitative and quantitative analysis of the performance of an officer as well as his staff. Such inspections are carried out by various supervisory authorities of the organization. Write Off of Tax Arrears Manual provides administrative rules relating to the powers of the authorities to write off and scale down arrear tax demands. It covers procedures dealing with the write off of Income tax, Wealth-tax and other direct taxes.

Double Taxation Avoidance Agreements are entered by the Government of India with another country to mitigate the taxation related problems of an entity having income in both the countries. It enables a person to seek credit for the taxes paid in one country in his assessment of taxable income in another country.

A citizen desirous of obtaining any information under the Right to Information Act shall approach the Central Public Information Officer (CPIO) or Central Assistant Public Information Officer (CAPIO) as the case may be, and specify the particulars of the information sought by him or her. Such request will have to be made in writing or through electronic means in English or Hindi or in the official language of the area in which the application is being made and will have to be accompanied with the prescribed fees. The CPIO or CAPIO as the case may be shall render all reasonable assistance to reduce the oral request in writing. An applicant making request for information shall not be required to give any reason for requesting the information or any other personal details except those that may be necessary for contacting him.

In respect of all requests received from the citizens under the RTI Act 2005, the respective CPIO has to provide the information within 30 days of the receipt of the request failing which he is liable to a penalty of maximum upto Rs.25,000/- and possible disciplinary action. There is appellate mechanism under the RTI Act which can be used by citizens if they are not satisfied with response of CPIO. Appellate authorities have also been appointed by the Income Tax department.

- [Information under section 4\(1\)\(b\) of the RTI Act](#)

INFORMATION TO BE PUBLISHED UNDER SECTION 4(1)(b) OF THE RIGHT TO INFORMATION ACT, 2005.

CENTRAL BOARD OF DIRECT TAXES

(i) The particulars of its organisation, functions and duties.

The CBDT is a part of Department of Revenue in the Ministry of Finance. On one hand, CBDT provides essential inputs for policy and planning of direct taxes in India, at same time it is also responsible for administration of direct tax laws through the Income Tax Department. The Central Board of Direct Taxes is a statutory authority functioning under the Central Board of Revenue Act, 1963. The officials of the Board in their ex-officio capacity also function as a Division of the Ministry dealing with matters relating to levy and collection of direct taxes.

The Central Board of Revenue as the Department apex body charged with the administration of taxes came into existence as a result of the Central Board of Revenue Act, 1924. Initially the Board was in charge of both direct and indirect taxes. However, when the administration of taxes became too unwieldy for one Board to handle, the Board was split up into two, namely the Central Board of Direct Taxes and Central Board of Excise and Customs with effect from 1.1.1964. This bifurcation was brought about by constitution of the two Boards u/s 3 of the Central Boards of Revenue Act, 1963.

Organisational Structure of the Central Board of Direct Taxes :

The Chairman, who is also an ex-officio Special Secretary to Government of India, heads the CBDT. In addition, CBDT has six Members, who are ex-officio Additional Secretaries to Government of India.

- Member (Income Tax)
- Member (Legislation and Computerisation)
- Member (Revenue)
- Member (Personnel & Vigilance)
- Member (Investigation)
- Member (Audit & Judicial)

The Chairman and Members of CBDT are selected from Indian Revenue Service (IRS), a premier civil service of India, whose members constitute the top management of Income Tax Department.

Responsibilities of Chairman and Members, Central Board of Direct Taxes

Various functions and responsibilities of CBDT are distributed amongst Chairman and six Members, with only fundamental issues reserved for collective decision by CBDT. In addition, the Chairman and every Member of CBDT are responsible for exercising supervisory control over definite areas of field offices of Income Tax Department, known as Zones.

Areas For Collective Decision By CBDT

Policy regarding discharge of statutory functions of the CBDT and of the Union Government under the various direct tax laws.

General Policy relating to:

1. Set up and structure of Income Tax Department;
2. Methods and procedures of work of the CBDT;
3. Measures for disposal of assessments, collection of taxes, prevention and detection of tax evasion and tax avoidance;
4. Recruitment, training and all other matters relating to service conditions and career prospects of all personnel of the Income-tax Department;
5. Laying down of targets and fixing of priorities for disposal of assessments and collection of taxes and other related matters;
6. Write off of tax demand exceeding Rs.25 lakhs in each case;
7. Policy regarding grant of rewards and appreciation certificates.
8. Any other matter, which the Chairman or any Member of the Board, with the approval of the Chairman, may refer for joint consideration of the Board.

Chairman

- Administrative planning;
- Transfers and postings of officers in the cadre of Chief Commissioner of Income-tax and Commissioner of Income-tax;
- All matters relating to foreign training;
- Public Grievances;
- Matters dealt with in the Foreign Tax and Tax Research Division, except matters under Section 80-O of the Income-tax Act, 1961
- All matters relating to tax planning and legislation relating to direct taxes referred to Chairman by Member (L&C)
- All matters relating to Central and Regional Direct Taxes Advisory Committees and Consultative Committee of the Parliament;
- Coordination and overall supervision of Board's work;
- Any other matter which the Chairman or any other Member of the Board may consider necessary to be referred to the Chairman;
- Supervision and Control over Director General of Income Tax (International Taxation).

Member (Income Tax)

- All matters relating to Income-tax Act, Super Profit-tax, Companies Profit (Sur-tax) Act, and Hotel Receipts Tax Act, except matters that have been specifically allotted to the Chairman or to any other Member;
- All matters relating to Interest Tax Act, 1974, Compulsory Deposit Act, 1974;
- Approvals under Section 36(1)(viii) and (viii a) of the Income-tax Act, 1961;
- Supervision and control over the work of DGIT(Exemption) and DIT (IT), except the work relating to examinations, which is overseen by Member(P&V).

Member (Legislation and Computerisation)

- All work connected with the reports of various commissions and committees relating to Direct Taxes Administration;
- All matters of tax planning and legislation relating to various direct taxes and the Benami Transaction (Prohibition) Act, 1988;
- Monitoring of tax avoidance devices and suggesting legislative remedial action;
- Computerization of Income Tax Department.
- Supervision and Control over DGIT (Systems) and DGIT (BPR).

Member (Revenue)

- All matters relating to Revenue budget, including assigning of budgetary targets among
- Chief Commissioners of Income Tax throughout the country;
- Recovery of taxes (Chapter XVII of Income Tax), except part F thereof, sections 179, 281, 281B, 289, Second Schedule and Third Schedule of the Income-tax Act, 1961,
- Matters relating to departmentalized accounting system.
- All matters falling under Chapter XIVA, XXA, XXC of the Income-tax Act, 1961;
- General coordination of the work in the CBDT;
- Work relating to Directorate of Income Tax (Recovery), Directorate of Income Tax (PR,PP&OL) and Directorate of Income Tax (O&MS);
- Supervision and control over Chief Engineers (Valuation Cell);
- All matters relating to widening of tax base;
- Work relating to Directorate of Income Tax(TDS);
- All matters concerning Wealth Tax Act, Expenditure Tax Act, Estate Duty Tax and benami Transaction (Prohibition) Act, excluding those relating to prevention and detection of tax avoidance.

Member (Personnel & Vigilance)

- All Administrative matters relating to Income-tax establishment (except transfers and postings of officers of the level of Chief Commissioner of Income Tax and Commissioner of Income-tax), transfers and posting at the level of Deputy Commissioners and Assistant Commissioner will be made with the approval of the Chairman;
- All matters relating to deputation of Income Tax officers, Assistant and Deputy Commissioners of Income Tax to ex-cadre posts;
- All matters relating to training, except foreign training;
- Vigilance, disciplinary proceedings and complaints against all officers and members of staff (both Gazetted and Non Gazetted);
- All matters relating to expenditure budget;
- All matters relating to implementation of official language policy;
- Office equipments;
- Office accommodation and residential accommodation for the Income-tax Department;
- Work relating to Directorate of Income Tax (Income Tax) in matters relating to examination; work relating to DI(Infra.), DG(Vig.), DGIT(HRD) and DGIT(NADT).

Member (Investigation)

- Technical and administrative matters relating to prevention and detection of tax evasion, particularly those falling under Chapter XIIB in so far as they are relevant to the functioning of Directors General of Income-tax (Investigation) and Chief Commissioners of Income Tax (Central), all matters falling under Chapter XIIC, Chapter XIXA, Chapter XXB, Chapter XXI, Chapter XXII, Section 285B, 287, 291, 292 and 292 A of Chapter XXIII of the Income Tax Act, 1961 and corresponding provisions of other Direct Tax Acts;
- Processing of complaints regarding evasion of tax;
- All matters relating to administrative approval for filing, dropping or withdrawing of prosecution cases in respect of offences mentioned in Chapter XXII of the Income Tax Act and corresponding provisions in other direct taxes;

- All technical and administrative matters relating to provisions of sections 147 to 153 (both inclusive) of the Income-tax Act, 1961;
- Searches, seizures and reward to informants;
- Survey;
- Voluntary disclosure schemes;
- Matters relating to the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976;
- Work connected with High Denomination Bank Notes (Demonetisations) Act, 1978;
- Supervision and control over the work of Directors General of Income Tax (Investigation), DGIT (Intelligence) and Chief Commissioners of Income Tax (Central).

Member (Audit & Judicial)

- All judicial matters under Chapter XX and section 288 of the Income-tax Act, 1961;
- Matters relating to appointment of Standing Counsels, Prosecution Counsels and Special Counsels for the Income-tax Department before the High Court and Supreme Court;
- All matters relating to Audit and Public Accounts Committee;
- All matters falling under section 72A and 80-O of the Income-tax Act, 1961;
- All matters concerning Wealth-tax Act, Expenditure-tax Act, Estate Duty Act and Benami Transaction (Prohibition) Act, excluding those relating to prevention and detection of tax avoidance;
- Supervision and control over the work of DGIT (L&R) and DIT (Audit).

There are as many as 8 Directorates as attached offices of CBDT to play a vital role by developing a positive liaison between the field formations and the CBDT. The following Directors General of Income Tax are directly under the administrative control of the Central Board of Direct Taxes:-

1. Director General of Income Tax (Administration)
2. Director General of Income Tax (Systems)
3. Director General of Income Tax (Vigilance)
4. Director General of Income Tax (Training)
5. Director General of Income Tax (Legal & Research)
6. Director General of Income Tax (Business Process Re-engineering)
7. Director General of Income Tax (Intelligence)
8. Director General of Income Tax (HRD)

In addition to above there are three more Directorates and also Chief Commissionerates at field level which are as follows:-

1. DGIT(Investigation)
2. DGIT(Exemption)
3. DGIT(International Taxation)
4. 18 cadre controlling Chief Commissioners of Income Tax

Various Directorates, which are headed by Directors of Income Tax, have been placed under the Director Generals of Income Tax and report through them to the Central Board of Direct Taxes :

1. **The Director General of Income Tax (Administration)** supervises the functioning of the following Directorates:-
 - a. Directorate of Income Tax (PR,PP &OL)
 - b. Directorate of Income Tax (Inspection & Examination)
 - c. Directorate of Income Tax (Audit)
 - d. Directorate of Income Tax (Recovery)
 - e. Directorate of Income Tax (TDS)
2. **The Director General of Income Tax (Systems)** exercises supervision and control over the following Directorates:-
 - a. Directorate of Income Tax (Systems)
 - b. Directorate of Income Tax (Organisation & Management Services)

c. Directorate of Income Tax (Infrastructure)

3. The Director General of Income Tax (Vigilance) is the head of the following four regional Directorates of Income Tax (Vigilance):-

- a. Directorate of Income Tax (Vigilance) (North), Delhi
- b. Directorate of Income Tax (Vigilance) (South), Chennai
- c. Directorate of Income Tax (Vigilance) (East), Kolkata
- d. Directorate of Income Tax (Vigilance) (West), Mumbai

4. The Director General of Income Tax (Training), NADT heads the National Academy of Direct Taxes at Nagpur. The Regional Training Institutes (RTIs) and the Ministerial Staff Training Units (MSTUs) also function under the DGIT (Training).

5. The Director General of Income Tax (HRD), is the head of Directorate of Income Tax (HRD).

1. Functions of Director General of Income Tax (Administration)

Supervision and control over the work in the following Directorates:-

- i. Directorate of Income Tax (Inspection & Examination)
- ii. Directorate of Income Tax (Audit).
- iii. Directorate of Income Tax (PR,PP&OL)
- iv. Directorate of Income Tax (Recovery)

Administrative Functions

The DGIT (Admn.) performs the following administrative functions :-

- i. Transfers and posting of "Group A" officers upto the level of Addl./Joint DIT within the above mentioned Directorates.
- ii. Cadre controlling authority in respect of Group „B" officers as also the staff allocated to the above Directorates and DGIT (Admn.).
- iii Handling vigilance and disciplinary matters of the gazetted officers working under his Administrative control. The relevant files are to be put up to the DGIT(Admn.) for appropriate orders through the DIT concerned.
- iv. Writing the confidential reports of the DITs working in his charge in addition to officers working directly under him.
- v. Review of the confidential reports of the officers written by the Director of Income Tax. He obtains reports from the Directors of Income Tax concerned and takes further necessary action including communication of adverse remarks. The Headquarters office of the DGIT(Admn.) would deals with the representations against adverse remarks and submit the relevant file to the DGIT(Admn.) through the DIT concerned. The DIT concerned is required to forward two copies of the duly completed annual confidential reports of all the officers working under him to the DGIT(Admn.), who, after keeping one copy for his record, passes on the other copy to the Board.
- vi. Scrutiny of the immovable property returns submitted by the officers.

Budgeting and expenditure control to be exercised through DGIT (Admn.)

All financial sanctions shall be issued by the DGIT(Admn.) or the officers authorised by him, under the relevant rules. Residuary financial powers and budgetary control in respect of the Directorates specified above will vest with the DGIT(Admn.).

Other functions

- i. DGIT(Admn.) will keep track of important points arising from inspection reports commented upon by the DIT(I&E). DGIT(Admn.) will guide the DIT(I&E) on issuing instructions regarding points to be looked into by the Inspecting Officers. He will ensure that remedial action based on the inspection reports of the CIT/Addl.CIT/JCIT are taken by the field officers in time and further that where general instructions need to be issued by the Directorate or the Board such instructions get issued in time.

- ii. DGIT(Admn.) will coordinate and monitor the follow up action in cases of audit objections which give rise to issues likely to arise in other charges or which require active involvement of more than one CIT. He will ensure that suitable instructions are issued to the field. Wherever an amendment of law or procedure is considered necessary, he will get the matter examined in the Board for further appropriate action.
- iii. DGIT(Admn.) will look into all specific audit paras selected for oral reply and be in a position to assist the Board effectively.
- iv. DGIT(Admn.) will scrutinise the printing and publication programmes of the DIT(RSP&PR) and monitor their successful implementation.
- v. DGIT(Admn.) will look into the bottlenecks in actual distribution of circulars, instructions, books, brochures etc., and ensure that these publications reach the persons for whom they are intended, namely the assessing and collection authorities in the field.
- vi. At the end of the year, the DGIT(Admn.) will obtain an annual report of the performance of each DIT under him and send one copy each thereof with his comments to the Chairman, CBDT or the functional members concerned.
- vii. DGIT(Admn.) shall coordinate the activities and streamline the working of the different Directorates functioning under his control.

1(a)Composition and functions of Directorate of Income Tax (Public Relations, Printing, Publications & Official Language)

The functions of this Directorate, which is headed by a DIT, are as under:-

Printing and publishing wing

- i. It is responsible for evolving a systematic programme for bringing out up-to-date bulletins of technical and administrative nature and monographs for use by departmental functionaries and is responsible for supplying these to the officials in the field offices.
- i. It is also responsible for printing and supplying of forms and registers, statutory and non-statutory, including refund order books- both MICR & Non-MICR.

Publicity and public relations wing

- i. This wing brings out updated version of the taxpayers" information booklets.
- ii. It prepares and issues advertisements in national dailies in English, Hindi and regional languages.
- iii. It prepares and broadcasts radio spots, TV quickies and films on subjects relating to income-tax.
- iv. It is involved in conducting programmes on TV and AIR with constant liaison with senior officers of these mass media agencies.
- v. It compiles, prints and distributes the annual administrative handbook.
- vi. It compiles, prints and distributes the pocket size telephone directory.
- vii. It prepares and releases advertisements in the web sites through the Internet.
- viii. It coordinates outdoor publicity by way of display on hoardings, bill-boards on buses and release of slides in cinemas.
- ix. It prepares and releases publicity materials in the form of posters, pamphlets, laminated wall-hangers, caps, tee-shirts, stickers etc.
- x. It maintains and disseminates information through the web-site of the Department

Official language policy wing

- i. Implementation of the Official Language Policy of the Government in the Department.
- ii. Inspection of the field offices of the Department to monitor the progressive use of Hindi in official work.
- iii. Cadre Controlling Authority for recruitment, promotion etc. of the personnel working in the Official Language Wing of the Income-tax department.

1(b)Composition and functions of Directorate of Income Tax (Income Tax)

The Directorate of Income Tax (Income Tax) was created as an attached office of the Board in 1940, under a Director of Inspection. Previously, coordination of audit work also formed part of this Directorate. This was separated in 1982.

The functions of Directorate of Income Tax (Income Tax) are as under:-

A. Inspection wing

- i. To lay down general guidelines for inspections by CCITs, CITs, Addl./Jt. CITs.
- ii. To obtain inspection programmes from CITs, CCITs, DITs, DGITs and to monitor progress of inspection.
- iii. To examine and review the reports received and to provide feedback to field formations on quality of assessments and inspections determined on the basis of a study of inspection records.
- iv. To report periodically to the Board on the findings emerging from the inspection review.
- v. To bring out an annual review of inspection.

B. Examination wing

To conduct departmental examinations for :

- i. Asstt. CIT(Probationers) recruited by the UPSC.
- ii. Income Tax Officers (Group B).
- iii. Income Tax Inspectors.
- iv. Ministerial Staff.
- v. Group D Employees.

Besides these, this wing is entrusted with other functions and responsibilities such as review, amendment and interpretation of the rules and syllabi of the various examinations, creation and abolition of centres for various departmental examinations. The directorate also performs all other related work.

1(c)Composition and functions of Directorate of Income Tax (Audit) -

The functions of the Directorate of Income-tax (Audit), which is headed by a DIT, are as under:-

- i. To control and review Internal Audit functions.
- ii. To issue general instructions to field officers regarding Internal Audit and Revenue Audit.
- iii. To inspect the work of the audit wing of the various CIT charges.
- iv. To organise collection and feedback of information regarding critical areas where mistakes have been detected by Revenue Audit and Internal Audit.
- v. To bring out manual, bulletins, circulars etc., for the purpose of Internal Audit.
- vi. To prepare annual Internal Audit Report.
- vii. To ensure expeditious disposal and settlement of Revenue Audit Objections.
- viii. To collect material and prepare briefs for the Board in respect of draft paras to be discussed at the PAC meeting and also to assist the Board on other PAC matters.
- ix. To collect and compile statistical data for inclusion in the C&AG's Reports, Annual Reports of the M/o Finance and any other data specifically called for by the Board.

1(d)Composition and functions of Directorate of Income Tax (Recovery)

The functions of this Directorate, which is headed by a DIT, are enumerated below:-

- i. Collection, compilation and collation of data relating to recovery of tax arrears of Income Tax and Wealth Tax involving demand of Rs. 1 crore and above (one lakh and above in case of Film Dossiers) from all CCIT/DGIT(Inv.) charges throughout the country.
- ii. Study of the dossiers received from the CCIT/DGIT(Inv.) charges, monitoring the work of collection/reduction of arrear demand, preparation of detailed reviews after analyzing the factual and legal complexities in cases and offering comments and suggestions for further action.
- iii. Preparation of Quarterly Report of Analysis of Dossier of Rs. 25 crore and above for monitoring of high demand cases by the CBDT.
- iv. Inspection of field offices for speeding up of collection/reduction of tax arrear.
- v. Compilation and analysis of statistical data and furnishing material to the Board for replies to various Parliament Questions.
- vi. Processing of write off, partial write off and scaling down of arrear demand proposals received from CCIT charges.
- vii. Processing of BIFR/AAIFR cases in the terms of granting Reliefs/concessions under the IT

Act, to the sick companies in the process of rehabilitation. This includes:-

- a. Verifying the genuineness of the claims of the "sick" industrial company through the A.O.;
- b. Examining the case for approval from CBDT to reliefs u/s 19(2) of Sick Industrial Companies (Special Provision) Act, 1985 (SICA) and communicating to the field formations the final order of the BIFR in cases where relief has been granted under the Income Tax Act;
- c. Attending hearings before BIFR & filing appeals at AAIFR/High Court etc. as need arises;
- d. Coordinating and processing for getting consent of BIFR for recovery u/s 22 of SICA, 1985.
- i. Assisting the CBDT in policy formulation in recovery/BIFR related matters.

2. Functions of Director General of Income Tax (Systems)

DGIT (Systems) performs the following functions:

- i. He supervises and controls the work in the following Directorates:-
 - (a) Directorate of Income-tax (Systems)
 - (b) Directorate of Income-tax (Organisation & Management Services)
 - (c) Directorate of Income-tax (Infrastructure)
- ii. He acts as cadre controlling authority in respect of Group „B" officers as also the staff allocated to the above Directorates and his own office.
- iii. He handles the vigilance and disciplinary matters of the gazetted officers working under his administrative control. The relevant files will be put up to the DGIT (Systems) for appropriate orders through the DIT concerned.
- iv. He writes the confidential reports of the DITs working in his charge, in addition to officers working directly under him.
- v. He reviews the confidential reports of the officers written by the Director of Income Tax. The DGIT (Systems) obtains reports from the Directors of Income- tax concerned and takes further necessary action including communication of adverse remarks. The headquarters office of the DGIT (Systems) would deal with the representations against adverse remarks and submit the relevant file to the DGIT (Systems) through the DIT concerned. The DIT concerned will forward two copies of the duly completed annual confidential reports of all the officers working under him to the DGIT (Systems), who, after keeping one copy for his record, will pass on the other copy to the Board.
- vi. He scrutinises immovable property returns submitted by the officers.
- vii. At the end of the year, he will obtain an annual report of the performance of each DIT under him and send one copy each thereof with his comments to the Chairman, CBDT or the functional Member concerned.
- viii. He shall coordinate the activities and streamline the working of the different Directorates functioning under his control.
- ix. All financial sanctions under the relevant rules shall be issued by him, or the officer(s) authorised by him. The residuary financial powers and budgetary control in respect of the Directorates specified above will vest with the DGIT (Systems).

2(a) Composition and functions of Directorate of Income Tax (Systems)

This Directorate, which is headed by a DIT, was created in 1981 to coordinate, at the apex level, all activities relating to introduction of computerisation in the Income-tax department and to perform the following functions :-

Software development

- i. Conduct of feasibility and systems study to identify areas suitable for computerisation.
- ii. Development, testing and documentation of application software packages.
- iii. Implementation of software packages at various computer centres of the department including on-the-job training and monitoring the progress of implementation.

Hardware installations

- i. Conduct of bench-mark tests for selection of appropriate computer hardware for various users of the Department and finalisation of terms and conditions for purchase with the approval of appropriate authorities.
- ii. Selection of sites for installation of computer hardware, preparation of sites with the help of

the appropriate Govt. agency, installation of computer systems, conducting acceptance tests and making the system operational.

iii. Maintenance of computer hardware through appropriate agencies and finalisation of terms and conditions of the annual maintenance contract which may be taken up centrally and/or in decentralised manner through CCIT of the region, concerned.

iv. Monitoring of the performance of installed computer hardware and periodic evaluation of the needs of additional hardware.

Training and coordination

i. Identification of training requirements of the Department in the field of computers.

ii. Conduct of various courses at different computer centres of the Department to build up in-house expertise in the field of computers at various operational levels.

iii. Coordination of all activities relating to the smooth functioning of all computer centres of the Department.

iv. Evaluation of the requirements of technical manpower to man the computer centres of the Department and preparation of suitable recruitment rules for the appointment of this manpower from within and outside the Department.

National Computer Centre

i. Planning and co-ordination of all activities relating to setting up and functioning of the National Computer Centre.

ii. Maintenance of the national databases pertaining to departmental application softwares.

iii. Ensuring security of the national databases.

Research and development

Undertaking of special projects to enhance the speed of work flows in the Department for ensuring better taxpayer services and tax compliance.

2(b) Composition and functions of Directorate of Income Tax (Organisation & Management Services)

The Directorate of Income Tax (O&M Services), which is headed by a DIT, came into existence in the year 1972 on the recommendations of the Direct Taxes Enquiry Committee (Wanchoo Committee). It started functioning in April 1973. This Directorate is an attached office of the Board and functions as a kind of an internal management consultant.

The original charter of functions of this Directorate are :-

i. Carrying out review of the procedures and systems of work

ii. Laying down work /staffing norms

iii. Monitoring the utility of existing forms and registers, office layouts, etc. In the Income-tax department.

Over the years, the Directorate has not only carried out these functions but has also considerably enlarged the scope of its original charter of functions because of complex management and organisation problems not contemplated earlier. The directorate has advised the Board on their solutions, from time to time. It is at present functioning as an internal management consultant to the Board performing mainly the following functions:-

i. Conduct of organisation and management studies.

ii. Carrying out continuous review of work procedures for improving methods and management practices. The Directorate seeks to identify deficient areas and devises more efficient methods of work.

iii. Laying down work/staffing norms.

iv. Assisting the CBDT in formulation of the Action Plan for the Income-tax department and its appraisal by regularly monitoring the performance of the field offices vis-a-vis the targets set for them. On a monthly basis the Directorate collates Central Action Plan statements showing the figures of collection/reduction of arrears and current demand of corporation tax/income-tax and progressive

workload and disposal of income tax assessments. The directorate also monitors the performance of

the field offices vis-a-vis the quarterly targets set for them.

v. Monitoring the utility of existing forms, register etc.

2(c) Composition and functions of Directorate of Income Tax (Infrastructure)

This Directorate, has been created after the restructuring of the Department. It draws up a strategic plan for upgradation of facilities at all levels and serves as a nodal agency for prioritizing decisions relating to creation of infrastructure and procurement in the Department. The Directorate is based in Delhi and is headed by a Director of Income Tax (an officer of the rank of Commissioner of Income Tax), who works under the administrative control of Director General of Income Tax (Systems). The DIT (Infrastructure) undertakes the following functions, which were earlier performed by the Board :-

- i. Drawing up of the construction programme for the Income-tax department on an all India basis.
- ii. Implementation of the construction programme.
- iii. Examination of individual proposals received from CCIT/Commissioners of Income-tax regarding construction of buildings involving :-
 - a) drawing up of a schedule of accommodation
 - b) scrutiny of plans and estimates.
 - c) securing approval of Expenditure Finance Committee where necessary; and
 - d) issue of administrative approval and expenditure sanction.
- iv. Scrutiny of proposals regarding acquisition of land for construction of departmental buildings involving :-
 - a. detailed examination of requirements for office and residential accommodation based on staff strength etc.; and
 - b. issue of administrative approval and expenditure sanction.
- v. Examination of proposals regarding purchase of buildings.
- vi. Examination of proposals regarding repairs of departmental buildings and minor works.
- vii. Finalisation of budget proposals in respect of construction of departmental buildings, acquisition of land and purchase of buildings.
- viii. Examination of proposals regarding hiring of office/office-cum-residence accommodation and godown accommodation in respect of attached and subordinate offices.
- ix. Provision of subsidized accommodation to the staff.
- x. Processing court cases relating to the matters concerning Infrastructure.
- xi. Cases regarding requisitioning of buildings and requisitioned properties.
- xii. Framing and interpretation of rules regarding allotment of residential accommodation in the departmental pool of the I.T.Department.
- xiii. Disposal of surplus lands and buildings.
- xiv. All miscellaneous matters in respect of departmental buildings , office and residential
- xv. Processing representations from various staff associations of the Income-tax department.
- xvi. Processing representations and complaints regarding location of offices in particular buildings.

3. Functions of Director General of Income Tax (Vigilance)

The Director General of Income-tax (Vigilance) is the Chief Vigilance Officer of the Income-tax department. He is appointed with the concurrence of the Central Vigilance Commission, and functions directly under the Central Board of Direct Taxes. He reports to Member (Personnel) and Chairman, CBDT.

Some of his important functions are:-

A. Administrative functions

- i. Supervision and control over the work of the different Directorates of Income Tax (Vigilance).
- ii. Vigilance clearance for Group „A“ Officers.
- iii. In respect of Group „A“ level officers, finalisation of the Agreed List, the list of officers of doubtful integrity and the list of officers whose work would be subjected to vigilance inspection.
- iv. Maintenance of CVO"s registers for Group „A“ officers.
- v. Preparation and furnishing of reports to CBDT/CVC/Ministries.
- vi. Framing of norms and issuing guidelines for vigilance functions of the Department.
- vii. Drawing up the annual action plan for vigilance work for various functionaries of the

department including DGIT (Vig.) himself, DITs (Vig.), CCITs and DGITs.

B. Technical functions

- i. Dealing with complaints.
- ii. Vigilance Inspection.
- iii. Action on self-contained report.
- iv. Disciplinary proceedings.
- v. Actions in respect of cases processed/investigated by the CBI.
- vi. References to CVC.
- vii. References to UPSC.
- viii. References to DOP&T/Ministry of Law/Other Departments.
- ix. Scrutiny of immovable property returns.
- x. Coordination with CBI and CVC in respect of complaints against officers of the department.

C. Miscellaneous

- i. DGIT (Vig.) acts as cadre controlling authority in respect of Group „B“ officers as also the staff allocated to the regional directorates and DGIT (Vigilance).
- ii. He will handle the vigilance and disciplinary matters of the gazetted officers working under his administrative control.
- iii. He will initiate the confidential reports of the DITs working in his charge in addition to officers working directly under him.
- iv. He will review the confidential reports of the officers in the Directorate written by the Director of Income Tax. He will obtain reports from the Directors of Income-tax concerned and take further necessary action including communication of adverse remarks. The headquarters office of the DGIT (Vigilance) would deal with the representations against adverse remarks and submit the relevant file to the DGIT (Vigilance) through the DIT concerned. The latter will forward two copies of the duly completed annual confidential reports of all the officers working under him to the DGIT (Vigilance) who, after keeping one copy for his record, will pass on the other copy to the Board.
- v. DGIT (Vigilance) shall coordinate the activities and streamline the working of the different directorates functioning under his control.

3(a) Composition and functions of Directorate of Income Tax (Vigilance)

The Director of Income-tax (Vigilance) is an officer of the level of Commissioner of Income-tax. He is assisted by a number of Addl./Joint CITs, at the headquarters, having broadly territorial distribution of work. At present, there are four regional directorates of income-tax (Vigilance) viz. North, West, East and South with their headquarters at Delhi, Mumbai, Kolkata and Chennai respectively.

The detailed functions of the Directorate of Income-tax (Vigilance) are given in the Chapter on “Vigilance” of this Manual and a separate “Manual on Vigilance”. However, the main functions of the Directorate are as under:-

A. Administration functions

- i. Vigilance clearance for Group „B“ officers.
- ii. In respect of Group „B“ level officers, finalisation of the Agreed List, the list of officers of doubtful integrity and list of officers whose work would be subjected to vigilance inspection.
- iii. Maintenance of CVO’s registers for Group „B“ officers.
- iv. Preparing and furnishing following reports to DGIT(Vig.) in respect of Group „B“ officers :-
 - a. Quarterly progress report.
 - b. Quarterly report on the status of disciplinary proceedings cases pending for more than six months.
 - c. Quarterly report regarding grant of sanction for prosecution in CBI cases.
 - d. Quarterly report on officers/staff under suspension.
- v. Furnishing the above mentioned report in respect of non-gazetted officials of their regions to the DGIT (Vig.) after compiling the same from the reports received from the cadre controlling CCITs.

B. Technical functions

- i. Dealing with complaints.
- ii. Preliminary verification.
- iii. Investigation of complaints
- iv. Vigilance Inspection.
- v. Action on self-contained report.
- vi. Disciplinary proceedings.
- vii. Action in respect of cases processed/investigated by the CBI.

4. Functions of Director General of Income Tax (Training), National Academy of Direct Taxes (NADT)

The Income Tax Department has an elaborate organisation for the training of its officials -both those who are newly recruited as well as those already in service. The apex body is the National Academy of Direct Taxes (N.A.D.T) at Nagpur. This is headed by the Director General of Income Tax (Training). He is assisted by an Additional Director General, Addl./Joint Directors and Deputy/Assistant Directors.

The DGIT(Training) is the training coordinator for the Income-tax department. He has the overall responsibility of planning, organising and conducting the induction training courses for the probationers as well as organizing in-service training programmes for senior officers of the Department.

The DGIT(Training) supervises the functioning of seven Regional Training Institutes at Bangalore, Kolkata, Lucknow, Mumbai, Chennai, Chandigarh and Ahmeabad and 26 Ministerial Staff Training Units spread over the country. These institutes impart training to various cadres within their jurisdiction .

Technical functions of DGIT (Training)

- i. Planning, designing and conducting the induction/foundational training course for the officers of IRS and of other services who are selected through UPSC.
- ii. Planning, designing and conducting in-service training courses both at NADT and the RTIs.
- iii. Nominating various officers for different training courses conducted in either NADT or in the RTIs.
- iv. Conducting research for identification of the new training needs of personnel in the Department and also on the efficacy of the training being given to probationers.
- v. Preparation of course materials, background papers etc for the courses to be conducted from time to time on the basis of research studies.
- vi. Control, organisation and development of the NADT library.
- vii. Coordination of international courses on direct taxes conducted in India.
- viii. Coordination between the IT Department and the Department of Personnel in framing the training policy for departmental personnel.
- ix. Organising paid courses for other Indian and foreign organisations.
- x. Design and conduct of specialized courses abroad on direct taxes for developing countries.

Miscellaneous functions

- i. The DGIT(Training) acts as the cadre controlling authority in respect of Group „C“ employees under his administrative control (except the staff on deputation from CCIT, Nagpur).
- ii. He handles the vigilance and disciplinary matters of both gazetted and non gazetted officers working under his administrative control.
- iii. The CCIT of the region, in which the NADT or RTI or MSTU, as the case may be, is located, would allocate a specified number of Group B officers as also all categories of staff to each one of these institutes according to their sanctioned strength.
- iv. All references from the Directorate General of Income Tax (Training) to the Board, whether technical or otherwise, would be made through DGIT(Training) except in respect of items

- especially specified by the Board.
- v. Responsibility of keeping the CBDT informed of all the developments in the NADT, RTIs and MSTUs.

Composition and functions of the Regional Training Institutes

- i. RTIs will be headed by a Director/Commissioner of Income Tax. He will be assisted by Addl./Joint Director(s) and four Deputy/Assistant Directors in addition to the specified staff.
- ii. The main functions of the RTIs are to identify the training needs of Group B, C & D officials. They are responsible for planning, designing and mounting of all in-service training courses at RTIs and at the MSTUs functioning under them. The RTIs also conduct some training courses for IRS officers and some specialised courses for various departments of the Govt. of India and Public Sector Undertakings. They supervise and control the work of MSTUs coming under their respective jurisdictions. These units cater to the training needs of Group C and D officials.

4a. Functions of Director General of Income Tax (HRD)

- i. To develop and design strategic human resource plans, policies and processes aligned with the goal and vision of the Income Tax Department for ensuring optimal resource mobilisation and delivery of taxpayer services.
- ii. To assess and determine the job requirements, job profiles and skills needed for various jobs in the Income Tax Department, and make projections of human resource requirements.
- iii. To assist CBDT in designing and implementing policies for systematic career progression, equal opportunity, gender equity, counseling and employee welfare.
- iv. To operate a human resource information system by accessing database maintained by CBDT.
- v. To assist CBDT in developing and implementing proper human resource development policies including those relating to recruitment, promotions, performance appraisals, transfers and succession plans.
- vi. To design a scientific and objective performance management system to foster accountability and develop a scientific scheme for linking of rewards to performance.
- vii. To identify training needs, formulate training policies and facilitate skill enhancement, and to coordinate with other educational/training institutions/agencies in India and abroad for training of officers of the Department.
- viii. To foster international co-operation for incorporating administrative best practices in the field of tax administration.
- ix. Any other matter which may be specially assigned by the CBDT.

5. Functions of Director General of Income Tax (Legal & Research)

The functions of Directorate (Legal & Research) shall be as under:-

- i. Receipt of SLP Proposals/Appeal Proposals
- ii. To refer the Proposals to Board and Ministry of Law with specific recommendations
- iii. Eliciting information from Field Formations needed by Ministry of Law, Central Agency Section.
- iv. Vetting of draft Special Leave Petitions, Appeals, Counter Affidavits, Condoning of Delay Applications, etc., on receipt from the Central Agency/field formations
- v. Preparing necessary letters of telex regarding payment of fees by Chief Commissioners of Income tax/forwarding of Special Leave Petition etc.
- vi. Correspondence before or after filing of Special Leave Petition/Appeal (filed by Tax Payers/Revenue Department) shall be attended to by the Directorate (Legal).
- vii. Correspondence now being handled by the SCC [at present under Commissioner of Income Tax (Judicial), Delhi] relating to queries generated by the CAS on daily hearing basis, shall, once the directorate becomes fully functional, shall stand merged in the Directorate (Legal & Research).
- viii. Liaison with the Counsels and Registry of the Supreme Court.
- ix. Computerizing the database of Special Leave Petitions (including back files of the Board pertaining to Special Leave Petitions) and creation of database in formats prescribed by Board.

- x. Maintenance of database in formats prescribed by the Board to monitor Special Leave Petitions/revenue effect/issues/ aspect parameters/generation of prescribed reports and coordination with other Zonal Commissioner of Income Tax (Judicial) in this regard including forwarding of supporting inputs.
- xi. Any other function that may be allotted to achieve the objectives stated above and any other function that may be assigned by Member (Audit and Judicial), Central Board of Direct Taxes, New Delhi in this regard.

Research and statistics wing

- i. It compiles and analyses the annual performance statistics based on monthly progress reports and allied data sent by field offices.
- ii. It compiles and presents economic statistics.

5(a) Functions of Director of Income Tax (Research)

This Directorate is located in Delhi and is headed by an officer of the rank of Commissioner of Income tax. It undertakes in-house research for the department and performs the administrative functions for the Directorate

6. Functions of Director General of Income Tax (Business Process Re-engineering)

The functions of the Directorate of BPR is to supervise the project for the Business Process Re-engineering of the Department concentrating on the four principal areas of work namely Pre-assessment, Assessment, Post-assessment and Appellate together with support functions cutting across all the four areas.

7. Functions of Director General of Income Tax (Intelligence)

The Directorate of Intelligence is an allied and compact investigative set up. The DGIT (Intelligence) reports directly to the Member (Inv.), CBDT. The office will be attached to the office of the Board. The Directorate will be required to take up intensive investigation of selected cases / class of cases and develop them for further action / specialized operation; study and analyze emerging trends in tax evasion, new modus operandi etc; create an economic offence data base; develop a profiling system etc. both in traditional and non traditional fields. The Directorate liaise/interact with other intelligence/investigating agencies such as FIU, NCB, ED, DRI, DGCEI, SFO, CEIB etc. The Directorate have access to all the information received by the Department viz. AIR, TDS, BCTT, STT, CIB, AST etc. Departmental national net work, Departmental records etc.

The DGIT and his directorate is located at Delhi. They have an all India jurisdiction and are assigned concurrent powers with the other DG'sIT (Inv.). To perform the assigned functions, the DGIT (Intelligence) have a compact team of selected officers comprising of a Director of Income Tax (of the rank of Commissioner of Income Tax), two Additional Directors of Income Tax, five Deputy Directors of Income Tax (Intelligence), two ITOs and supporting staff.

Other

Directorates

1. Functions of Director General of Income Tax (Investigation)

The Director General of Income Tax (Investigation) performs the following functions:-

- (1) Supervision and control over the Directors of Income Tax (Investigation), Commissioners of Income Tax (Central) and Commissioners of income Tax (CIB). In Mumbai and Delhi, CCIT (Central) exercises control over CIT (Central).
- (2) Chief Commissioner to continue as cadre controlling authority in respect of Group „B“ officers as also the staff allocated to the DG or Directors or CITs, Additional/Joint/Deputy Directors, ADsIT and Central Circles under the control of DG(Inv.). In respect of Group „B“ officers and staff borne on the strength of the Directorate of Income Tax (Inv.) Delhi, the Director General is the cadre controlling authority.
- (3) Fixing of overall sanctioned strength of each Directorate, CIT(CIB) and Central Circle.
- (4) Selection of officers upto the level of Addl. /Joint DIT in consultation with cadre controlling Chief Commissioner of Income Tax and Chief Commissioner of Income Tax (Central).

(5) Computerisation.

1(a) Functions of Director of Income Tax (Investigation)

The Director of Income Tax (Investigation) performs the following functions :-

- (1) Planning and execution of search and seizure and survey operations.
- (2) Statutory functions.
- (3) Grant of awards/rewards.
- (4) Administration of secret funds.
- (5) Processing of TEPs.
- (6) computerisation.

2. Functions of Director General of Income Tax (Exemptions)

The Director General of Income Tax (Exemptions) performs the following functions:-

- (1) Statutory functions.
- (2) Assistance to CBDT in processing of certain approvals and notifications for exemption.
- (3) Supervision and control over DITs(E).
- (4) Vigilance and disciplinary matters.
- (5) Computerisation.

2(a) Functions of Director of Income Tax (Exemptions)

The Director of Income tax (Exemption) performs the following functions :-

- (1) Statutory functions relating to claims for exemption.
- (2) Supervision and control over the Directorate.
- (3) Vigilance and disciplinary matters.
- (4) Computerisation.

3. Functions of Director General of Income Tax (International Taxation)

The Director General of Income Tax (International Taxation) performs the following functions:-

- i. Supervision and control over the work of Directorate of Income Tax (International Taxation).
- ii. Vigilance and disciplinary matters.
- iii. Computerisation.
- iv. Statutory functions.

3(a) Functions of Director of Income Tax (International Taxation)

There are five DITs (International Taxation) located at Delhi, Mumbai, Kolkata, Chennai and Bangalore. Their functions are :-

- (1) Supervision and control over the Directorate.
- (2) Statutory functions in respect of taxation of foreign companies and non-residents and withholding tax on remittances abroad.
- (3) Vigilance and disciplinary matters.
- (4) Computerisation.

3(b) Functions of Director of Income Tax (Transfer Pricing)

In accordance with section 92CA of the Income Tax Act, 1961, a reference is made by the AO to DIT (TP) for determination of arm's length price in relation to the international transaction (S). The transfer price is determined by the TPO in terms of section 92C. The price is determined by any one of the methods stipulated in sub-section (1) of section 92 and by applying the most appropriate method referred to in section (2) thereof. The TPO after taking into account all relevant facts and data available to him determines arm's length price and passes a speaking order after obtaining the approval of DIT transfer pricing.

Chief Commissioner of Income Tax

The cadre of Chief Commissioner of Income Tax came into being from September, 1981 with the

creation of 5 posts at Ahmedabad, Kolkata, Chennai, Delhi and Mumbai. At present, there are 116 posts of Chief Commissioner. Out of 116 posts, 19 Chief Commissioners have been identified as cadre controlling authorities.

Functions to be performed exclusively by cadre controlling CCITs

The Chief Commissioner of Income tax performs the following cadre control functions:-

- (1) Transfer and posting of Group „A“ officers upto the level of Addl./Joint CIT and all other cadre control functions in relation to Groups „B“, „C“ and „D“ employees.
- (2) Fixation of the sanctioned strength of various cadres in the charge of each CIT and allocation of officers and staff to each CIT/CIT(A).
- (3) Vigilance and disciplinary matters.
- (4) Confidential reports of officials working in the region in addition to those working directly under him.
- (5) Immovable property returns.
- (6) Budgeting and expenditure control.
- (7) Estate functions.
- (8) Grievance redressal.
- (9) Employees“ association matters.
- (10) Protocol functions.
- (11) Computerisation.

Functions to be performed by the Chief Commissioners including cadre controlling CCITs.

- i. Supervision and control over CITs, both administrative and appeals.
- ii. Administrative approval of proposals for write-off of arrears.
- iii. Review of arrear dossiers.
- iv. Administrative sanction for launching prosecutions against tax delinquents.
- v. Implementation of Official Language Policy.
- vi. Implementation of computerisation in the department as per the policies and procedures laid down by CBDT/DIT (Systems).
- vii. Changing of headquarters of any officer upto the level of DCIT under intimation to the cadre controlling CCIT.
- viii. Staff grievances
- ix. Statutory functions under direct tax laws.

Functions of Commissioner of Income Tax

Detailed administrative and statutory functions of the CIT have been enumerated in the relevant chapters of this manual, for example „Head Quarter Organisation and Functions“ etc.

Functions of Commissioner of Income Tax (Appeals)

The posts of CIT (Appeals) were created in July“ 1978 to perform the functions of first appellate authority under the statute.

Functions of Commissioner of Income Tax (Computer Operations)

Each Regional Computer Centers (RCC) is headed by a Commissioner of Income-tax (Computer Operations). Other Computer Centres have also been placed under the functional control of the CITs (CO). Their major functions are:-

- i. Working as liaison officer between the CCIT /CIT and DGIT (Systems) / DIT (Systems).
- ii. Management of the RCC, Computer Centres and terminal banks in their charge.
- iii. Working as liaison officer between Department and outside agencies such as banks, telephone department etc.
- iv. Implementation and maintenance of centralised application software (IPAN, AIS, TAS, and MMS).
- v. Providing help, training and support to end users in implementation of other application software, and monitoring their performance.
- vi. Implementation of technical instructions concerning implementation of information technology

issued from the CBDT/ DGIT (S) / Directorate of Income Tax (Systems).

- vii. Maintenance of hardware, and network including annual maintenance contracts.
- viii. Resolving day-to-day problems of officers/officials in implementation of the computerisation programme.
- ix. Management of all types of backups such as system backup, database backup, and software library.
- x. Security of system and data

Functions of Commissioner of Income Tax (Judicial)

With the restructuring of the Department, four posts of CIT(Judicial) were created at Delhi, Mumbai, Chennai and Kolkata to co-ordinate the intra-zonal judicial work as detailed in the instruction no. 4/2002 dated the 7th May 2002 (F.No. 277/109/2001 -ITJ)

Functions of Commissioner of Income Tax (CIB)

Following are the functions of CIT (CIB) :-

- (1) Supervision and control over the work of officers and staff of CIB branch.
- (2) Vigilance and disciplinary matters.
- (3) Collection, collation and dissemination of information (Refer to Chapters on „Collection, Collation and Dissemination of Information“ and „Central Information Branches“).
- (4) Computerisation.

Functions of Commissioner of Income Tax (Audit)

Internal audit in Income tax department was introduced in the year 1954 with a view to provide for a second check in ensuring arithmetical accuracy in the assessment of income and levy of tax. In 1960, the Government introduced audit of Income tax receipts by C&AG. The object of Internal Audit function was subsequently enlarged so that “it has a deterrent and reforming effect in the direction of prevention of mistakes and secondly, it plays a corrective role by checking up on the mistakes and having these remedied without loss of time. This dual role, go a long way in improving the Department’s performance and image, saving it avoidable comments from C&AG as well as PAC, thus, safeguarding the interest of both the revenue and assessee.” (Instruction No. 485 dated 13-12-1972). In pursuance of these objectives the Department set up Internal Audit parties and Special Audit parties to audit assessments and refunds. The Directorate of Income-tax (Audit), set up in 1963 mainly co-ordinates and supervises the audit work on behalf of the Board. On restructuring of department in 2001, now the officers in the Assessment Unit will perform internal audit functions on a chain basis i.e. one officer will do the internal audit of work done by another officer. This new audit pattern has since been formulated and put in place vide Instruction No. 8/2001 dated 06.12.2001.

There are separate chapters on „Internal Audit“ and „Revenue Audit“ in volume-III of this Manual which detail the role and functions of officers at various levels in relation to audit work of the department. In addition to his audit related functions, CIT(Audit) has following administrative functions also :-

- i. Supervision and control over the officers and staff working under him.
- ii. Vigilance and disciplinary matters.

Functions of Commissioner of Income Tax (Departmental Representative), Income Tax Appellate Tribunal

The functions of CIT(DR) and organisation of his office etc. have been described in detail in the Chapter on „Appeal and Revision“ in Volume-II of this Manual.

Functions of Additional/Joint Commissioner of Income Tax (Headquarters)

The Additional/Joint Commissioner (Headquarters) attends to the work entrusted to him by the Chief Commissioner/Commissioner of Income Tax. The detailed functions of the headquarters are enumerated in the Chapter on „Headquarters Organisation and Functions“.

Functions of Additional/Joint Commissioner of Income Tax (Range)

After restructuring of the department, the business process has been redesigned to make it Range-centric, thus emphasising the pivotal role of the Range -head. Additional/Joint Commissioner, who is the head of the Range, exercises concurrent jurisdiction and may, as such, also be required to formulate assessments in revenue yielding and complex cases. The assessment unit of the Range consists of five assessing officers (one DCIT/ACIT and four ITOs). The collection unit in a Range is headed by a TRO who is responsible for collection and recovery of tax. The Record Keeping Unit of the Range is headed by an Administrative Officer/Office Superintendent.

As head of the range, the main functions of the Addl./Joint Commissioner of the Income Tax are :

- (1) Supervision and control
- (2) Statutory functions
- (3) Effective tax-payer services
- (4) Expansion of tax-base
- (5) Judicial functions
- (6) Processing of TEPs
- (7) Computerisation

Note: Detailed functions of the Range are enumerated in the relevant chapters of this Manual such as „Office Management“, „Assessment Procedure“, etc.

Functions of Departmental Representatives (Senior/Junior), Income Tax Appellate Tribunal

In an appeal filed before the Tribunal, the Assessing Officer is one of the parties and since every officer cannot appear himself, the officers of the rank of Additional/Joint Commissioner of Income Tax and Deputy/Assistant Commissioner of Income Tax are appointed as Senior Departmental Representatives and Junior Departmental Representatives respectively to represent the case before the Income Tax Appellate Tribunal. The Senior or Junior Departmental Representative is expected to present and argue the case of the department independently and to render necessary assistance to the CIT(DR).

Functions of Additional/Joint/Deputy/Asstt. Commissioner of Income Tax (Audit)

The Additional/Joint Commissioners of Income tax (Audit) are expected to test check the registers maintained in Income Tax Offices for recording audit objections and their disposal, as also to check the working of Audit Cells set up in Income Tax Offices for dealing with audit objections. The primary responsibility in these matters rests with Addl./Joint Commissioner of Income Tax (Range). Addl./Joint Commissioner of Income Tax (Audit) will, however, report any deficiency in the matter to the CIT. The idea underlying is to ensure that the statistics compiled from these registers reflect a true picture.

There are separate chapters on „Internal Audit“ and „Revenue Audit“ in volume-III of this Manual which detail the role and functions of officers at various levels in relation to audit works of the department.

Functions of Addl./Joint/Deputy/Assistant Director of Income Tax (Investigation)

- (1) Pre-search enquiries and reconnaissance work.
- (2) Search and Seizures.
- (3) Preparation of appraisal report.
- (4) Enquiry work in the TEPs.
- (5) Surveys u/s 133 A(1) and 133A(5).
- (6) Keeping liaison with other departments like Customs and Central Excise, Enforcement Directorate, Revenue Intelligence, Economic Offences Wing of State Govt. , Police, etc.
- (7) Deals with the informants.

Functions of Deputy/Assistant Commissioner of Income Tax (Headquarters).

Deputy/Assistant Commissioner of Income Tax (Headquarters) assists the Chief Commissioner/Commissioner of Income Tax in the headquarter functions. CCITs/CITs have been permitted to utilise more than one Deputy/Assistant Commissioner of Income Tax as Deputy/Assistant

Commissioner of Income Tax (Headquarters) in multi CC regions.

Functions of Assessing Officers

The main functions of the Assessing officers are :-

- (1) Ensuring processing of returns on AST module.
- (2) Allotting PANs wherever required.
- (3) Making IRLA operational and ensuring that all demands are entered into this system.
- (4) Ensuring that all the software packages prescribed by the DIT (Systems) are made operational.
- (5) Seeing that all tax payers grievances are attended in time and redressed in a fixed time bound manner.
- (6) Ensuring timely collection of demands and issue of refunds.
- (7) Selection of cases for scrutiny in time and ensuring their timely disposal.
- (8) Controlling all computer hardware and software of the range and ensuring its maintenance, replacement and updating. Providing technical support and guidance for operation of the computer system.
- (9) Taking all necessary steps for widening of the tax base.
- (10) Internal Audit functions.
- (11) Ensuring that appeal effects are given and central scrutiny reports are submitted in time.
- (12) Statutory functions.

Functions of Tax Recovery Officer (TRO).

The jurisdiction of the Tax Recovery Officer (TRO) commences when an assessee is in default or is deemed to be in default in making payment of tax. The Tax Recovery Officer may draw up under his signature a statement in the prescribed form specifying the amount of arrears due from the assessee under section 222(1) of the Income Tax Act, 1961. The procedure for recovery of tax is stipulated in the Second Schedule to the Income Tax Act, 1961. Rule 4 of the Second Schedule lays down the following modes of recovery of arrears of tax :

- a. Attachment and sale of the assessee's movable property.
- b. Attachment and sale of his immovable property.
- c. Arrest of the assessee and his detention in prison.
- d. Appointing a receiver for the management of his movable and immovable properties.

The Tax Recovery Officer has to exercise his powers in accordance with Income Tax (Certificate Proceedings) Rules (I.T.C.P. Rules), 1962 and the Second Schedule to the Income Tax Act. The Tax Recovery Officer is primarily responsible for effecting recovery of the arrears of tax. If at any time, after drawing the tax certificate, the higher authority treats the assessee as not being in default for a particular period for a certain demand, the T.R.O. is bound to stay his recovery proceedings for that demand for the particular period. He should liaise with the Assessing Officer so that details of movable and immovable property and also the correct position of demand can be ascertained.

(ii) The powers and duties of its officers and employees.

Please Refer (i) above.

(iii) The procedure followed in the decision-making process including channels of supervision and accountability.

The Procedure followed in the decision-making process including channels of supervision and accountability is given in IT Act, 1961, IT Rules, 1962, Wealth Tax Act, 1957, Wealth Tax Rules, 1957, Manual of Office Procedure, Volume I to III.

(iv) The norms set by it for the discharge of its functions.

The Department's mission is to promote compliance with Direct Tax Laws through quality taxpayer service encouraging voluntary compliance and firm administration.

The Department believes:-

- in transparency and fairness
- in voluntary compliance
- in encouraging and assisting taxpayers

The said objectives are sought to be achieved by:-

- enhancing the use of information technology;
- streamlining Income Tax procedures;
- encouraging voluntary compliance;
- evolving cooperative initiatives.

(v) The rules, regulations, instructions, manuals and records, held by it or under its control or used by its employees for discharging its functions.

Following Acts and Rules, administered by the Central Board of Direct Taxes through its subordinate formations, are available on the CBDT website www.incometaxindia.gov.in :

Acts

- Income Tax Act, 1961
- Wealth Tax Act, 1957

Rules

- Income Tax Rules, 1962
- Wealth Tax Rules, 1957

Manuals

- Manual of Office Procedure, [Volume-I](#)
- Manual of Office Procedure, [Volume-II](#)
- Manual of Office Procedure, [Volume-III](#)

(vi) A statement of the categories of documents that are held by it or under its control.

Files and documents related to work assigned to various Sections of CBDT/Directorates/Field formations are kept in the custody of respective Sections.

(vii) The particulars of any arrangement that exists for consultation with, or representation by, the members of the public in relation to the formation of its policy or implementation thereof.

With a view to encouraging mutual understanding between taxpayers and Income Tax Officers and to advise the Government on measures for removing difficulties of general nature pertaining to Direct Taxes there is a Central Direct Taxes Advisory Committee (CDTAC) at Delhi and 61 Regional Direct Taxes Advisory Committees (RDTACs) at important stations. Representative of trade and professional associations are also nominated to these committees. The term of these Committees is two years from the date of their constitution.

The Union Finance Minister is the Chairman of the Central Direct Taxes Advisory Committee. The official Members are Secretary (Revenue), Chairman, CBDT and Member (Revenue), CBDT. The non-official Members include four Members of Parliament: two from each House and representatives of Commerce and Industry like, FICCI, ASSOCHAM etc., lawyers and other professionals.

(viii) A statement of the boards, council, committees and other bodies consisting of two

or more persons constituted as its part or for the purpose of its advice, and as to whether meeting of those boards, councils, committees and other bodies are open to the public, or the minutes of such meeting are accessible for public.

Same information as in (vii) .In the meetings of CDTAC and RDTACs representatives of commerce and industry and lawyers and professionals take part and offer their suggestions. The minutes of these meetings are for internal use but the public can view it on demand.

(ix) A directory of its officers and employees.

Please refer website www.incometaxindia.gov.in

(x) The monthly remuneration received by each of its officers and employees, including the system of compensation as provided in its regulations.

Sanctioned manpower of the Income-tax Department is as given below:

S. No (1)	Name of Post (2)	Pay Scale (a)	Status of Post		Group of Post Gr.A/ Gr.B/ Gr.C/ Gr.D (d)	Total No. of Sanctioned Posts (e)	Total No. of Posts Filled as on 30.9.07 (f)
			Gazetted/ Non Gazetted (b)	Regular/ Temporary/ Adhoc (c)			
1	CCIT/DGIT	22400-24500	Gazetted	Regular	GR.A	116	80
2	CIT/DIT	18400-22400	-do-	-do-	-do-	731	683
3	Addl CIT	14300-18300	-do-	-do-	-do-	606	871
4	Joint CIT	12000-18500	-do-	-do-	-do-	647	
5	DCIT	10000-15200	-do-	-do-	-do-	1358	1467
6	ACIT	8000-135200	-do-	-do-	-do-	734	
	Sub-total					4192	3101
	Group-A (IRS)						
7	Chief Engineer	18400-22400	-do-	-do-	-do-	09	5
8	Suptd Engineer	12000-18500	-do-	-do-	-do-	16	
9	Executive Engineer	10000-15200	-do-	-do-	-do-	76	
10	Computer Manager	12000-18500	-do-	-do-	-do-	05	0
11	System Analyst	10000-15200	-do-	-do-	-do-	25	2
12	Programmers	8000-13500	-do-	-do-	-do-	72	
13	DD (OL)	10000-15200	-do-	-do-	-do-	05	2
14	Sen. Admn Officer	10000-15200	-do-	-do-	-do-	05	0
16	Chief Statist. Advisor	8000-13500	-do-	-do-	-do-	01	2
17	Deputy CSA	12000-16500	-do-	-do-	GrA	01	0
18	Asstt CSA	10000-15200	-do-	-do-	-do-	01	1
19	CSA (Jr. Scale)		-do-	-do-	-do-	01	1
20	Sampling Officer	8000-13500	-do-	-do-	-do-	01	1
21	AD (DOMS)	10000-15200	-do-	-do-	-do-	06	4
22	Other Gr-A (different)		-do-	-do-	-do-	13	

	scales)						
	Sub-total					238	18
	Grand Total						
23	Admn Officer Gr-III	6500-10500	-do-	-do-	GrB	774	706
24	Admn Officer Gr-II	7500-12000	-do-	-do-	-do-	35	60
25	Income Tax Officer	7500-12000	-do-	-do-	-do-	4448	4345
26	Sen. PS	6500-10500	-do-	-do-	-do-	117	180
27	Private Secretary	6500-10500	-do-	-do-	-do-	706	487
28	DPA Gr.B	6500-10500	-do-	-do-	-do-	55	17
29	Addl Asstt Director	6500-10500	-do-	-do-	-do-	10	5
30	Section Officer	6500-10500	-do-	-do-	-do-	01	
31	Asstt Director (OL)	6500-10500	-do-	-do-	-do-	70	41
32	Asstt Addl Director	6500-10500	Gazetted	-do-	GrB	01	
	Total (Gr-B)					6217	5841
33	Income Tax Inspector		Non-				
		6500-10500		-do-	GrC	9793	7978
			Gazetted				
34	Office Suptd	5500-9000	-do-	-do-	-do-	2530	2260
35	Sr. Tax Assistant	5000-8000	-do-	-do-	-do-	8581	6837
36	Tax Assistant	4000-6000	-do-	-do-	-do-	11282	5422
37	DPA Gr-A	5000-8000	-do-	-do-	-do-	160	37
38	Sr Hindi Translator	5000-8000	-do-	-do-	-do-	52	35
39	Jr. Hindi Translator	4500-7000	-do-	-do-	-do-	75	40
40	Steno Gr-I	5500-9000	-do-	-do-	-do-	1022	677
41	Steno Gr-II	4500-7000	-do-	-do-	-do-	2037	1259
42	Steno Gr-III	4000-6000	-do-	-do-	-do-	2445	218
43	LDC	4000-6000	-do-	-do-	-do-	355	314
44	PT Instructor	5000-8000	-do-	-do-	-do-	01	
45	Staff Car Driver (SG)	5000-8000	-do-	-do-	-do-	38	28
46	Staff C Driver (Gr-I)	4500-7000	-do-	-do-	-do-	265	205
47	Staff C Driver (Gr-II)	4000-6000	-do-	-do-	-do-	227	194
48	Staff C Driver (OG)	3050-4590	-do-	-do-	-do-	210	231
49	Notice Server	2650-4000	-do-	-do-	-do-	2992	2760
50	Sr. Gestnor Operator	3050-4590	-do-	-do-	-do-	14	1
51	Superintendent	6500-10500	-do-	-do-	-do-	09	9
52	Sr. Technical Asstt	5500-9000	-do-	-do-	-do-	13	12
53	Technical Asstt	5500-9000	-do-	-do-	-do-	12	12
54	Research Asstt	5500-9000	-do-	-do-	-do-	06	3
55	Supted (Jr)		Non-				
		5000-8000			GrC	04	4
			Gazetted				
56	Assistant	5000-8000	-do-	-do-	-do-	57	55
57	UDC	4000-6000	-do-	-do-	-do-	85	72
58	Sr Librarian		-do-	-do-	-do-	01	0
59	Other Gr-C (different						
			-do-	-do-	-do-	150	
	scales)						
	Total Gr-C					42413	28663
60	Peon	2550-3200	-do-	-do-	GrD	3091	1858
61	Jamadar	2550-3200	-do-	-do-	-do-		
62	Daftry	2750-4400	-do-	-do-	-do-		2718
63	Watchman	2550-3200	-do-	-do-	-do-		996
						5276	
64	Sweeper	2550-3200	-do-	-do-	-do-		332
65	Farash	2550-3200	-do-	-do-	-do-		176
66	Mali	2550-3200	-do-	-do-	-do-		26
67	Jr Gest Operator	2610-3540	-do-	-do-	-do-		15

68	Other Gr-D		-do-	-do-	-do-	36	
	Total Gr-D					8403	6121
	Grand Total					61463	43744*
	(Gr.A+B+C+D)						

* Based on information available from CCsIT (CCA)/Cadre Controlling Authorities

(xi) The budget allocated to each of its agency, indicating the particulars of all plans, proposed expenditures and reports on disbursements made.

Please refer to Manual No.11 provided by Revenue Headquarters, Department of Revenue, Ministry of Finance at http://finmin.nic.in/the_ministry/dept_revenue/rtiman.htm. For CBDT, it is covered by Demand No.42.

(xii) The manner of execution of subsidy programmes including the amounts allocated and the details of beneficiaries of such programmes.

Not applicable.

(xiii) Particulars of recipients of concessions, permits or authorizations granted by it.

Not applicable. However, exemptions, deductions and rebates as applicable in the Income Tax Act are offered to some sections of the society.

(xiv) Details in respect of the information, available to or held by it, reduced in an electronic form.

The administered Acts and Rules are available on the Income Tax Department's website www.incometaxindia.gov.in. All Notifications and Circulars issued from time to time are also made available on this website.

(xv) The particulars of facilities available to citizens for obtaining information, including the working hours of a library or reading room, if maintained for public use.

www.incometaxindia.gov.in

(xvi) The names, designations and other particulars of the Public Information Officers.

www.incometaxindia.gov.in.

(xvii) Such other information as may be prescribed, and thereafter update these publications every year.

NIL

For information sought under the RTI Act, please contact your CPIO. For details of CPIO of Karnataka & Goa Region, please visit <http://incometaxbengaluru.in/files/cpio/CPIO-INCOME%20TAX-%20KARNATAKA%20&%20GOA.pdf> or call Aaykar Sampark Kendra at 0124-2438000