Module 7 · CBDT and Other Authorities P15 · topics 7.1–7.9

SM pp. 323–333 (exercise 334). Asked rarely — J23 MCQ (v) and ICMAI MQP MCQ (vi) on the **powers of the CBDT u/s 119**; the postal paper has a 10-mark essay on the same. Learn s.119 well; the rest is MCQ reading. Expected 0–2 marks.

Paper	Question	Answer (from SM rules)
Jun'23 MCQ (v)	power NOT vested in the CBDT u/s 119(2): VI-A relaxation / set-off of losses relaxation / time limit for return / all	**(B) set-off of losses** — 119(2)(c) covers only Chapters IV and VI-A; s.139 is in the 119(2)(a) list
MQP MCQ (vi)	not a CBDT power	**(D) amend sections of the Act** — a circular cannot override the Act
Postal Q4(a)	describe the powers of the CBDT (10 marks)	write the five powers below + 119A charter

7.1–7.3 · AUTHORITIES AND THE BOARD

- **s.116 hierarchy**: CBDT → Pr. DGIT / Pr. CCIT → DGIT / CCIT → Pr. DIT / Pr. CIT → DIT / CIT / CIT(A) → Addl. → Joint (incl. JCIT(A)) → Deputy → Assistant → ITO → TRO → Inspector. [SM 323]
- **Assessing Officer** (s.2(7A)): AC / DC / AD / DD / ITO with jurisdiction, and an Addl. / Joint Commissioner or Director directed to act as AO. [SM 323]
- **s.117**: the Central Government appoints; it may authorise the Board, DG, CCIT, Director or Commissioner to appoint authorities **below the rank of AC / DC**, and staff. [SM 324]
- **CBDT**: statutory body under the **Central Boards of Revenue Act, 1963** (split from the 1924 Board with effect from 1.1.1964); Chairman + six Members (Income-tax; Legislation & Computerisation; Personnel & Vigilance; Investigation; Revenue; Audit & Judicial). [SM 325]

7.4–7.9 · JURISDICTION, TRANSFER, SUCCESSION

- **s.120**: powers per the Board's directions, by territory, persons, incomes or cases; concurrent jurisdiction possible. [SM 328]
- **s.124**: AO of the area where the business (principal place) is, or where the person resides. Dispute decided by the Pr. DG / DG / Pr. CCIT / CCIT / Pr. CIT / CIT (or the Board). Objection barred: return filed → **1 month** after notice u/s 142(1) / 143(2) or completion, earlier (⚠ SM prints "142(2)"; s.124(3)(a) reads 142(1)); no return → after time in the 142(1) / 148 / 144 notice; search → 1 month after the 153A / 153C notice. [SM 329]
- **s.127 transfer**: by the Pr. DG / DG / Pr. CCIT / CCIT / Pr. CIT / CIT between AOs under him — after a hearing where possible and **recording reasons**; different bosses → if they agree, the transferor; if not, the Board. **No hearing** if all offices are in the same city. Any stage; notices need not be re-issued; "case" covers past, pending and future years. [SM 330]
- **s.129**: successor continues from where left; assessee may demand to be **re-heard**. [SM 331]
- **s.130 faceless jurisdiction** (SM MCQ 2) and **s.293D faceless approval / registration** — team-based, dynamic jurisdiction, no interface. [SM 332–334]

POWERS OF THE CBDT (s.118, 119, 119A)

1. **Instructions** (119(1)) to all authorities for proper administration — but **never** to make a particular assessment or dispose of a case in a particular manner, nor to interfere with the **JCIT(A) / CIT(A)**'s appellate discretion. [SM 325–326]
2. **General / special orders** (119(2)(a)) for efficient assessment and collection, incl. **relaxing** ss. 115P, 115S, 139, 143, 144, 147, 148, 154, 155, 158BFA, 201(1A), 210, 211, 234A–234C, 234E, 234F, 270A, 271, 271C, 271CA, 273 — for classes of incomes / cases; **not prejudicial to the assessee**; may be published. [SM 326]
3. **Condone delay** (119(2)(b)): admit a late application or claim for exemption, deduction, refund or other relief to avoid **genuine hardship** — directed to any authority except the JCIT(A) / CIT(A). [SM 326]
4. **Relax Chapter IV / VI-A requirements** (119(2)(c)) with reasons, for genuine hardship, if the default was **beyond the assessee's control** and he complied **before completion of the assessment**; laid before Parliament. [SM 326]
5. **Control** (s.118): by notification, make any authority subordinate to another. [SM 327]

A circular or instruction u/s 119 **cannot override the Act**. **s.119A**: the Board must adopt and declare a **Taxpayer's Charter** and issue directions to implement it. [SM 327]

DEC'26 SUPPLEMENTARY · DIN

The CBDT has mandated a computer-generated Document Identification Number on every communication (Circular 4/2026) — details in the M2 notes. [Supp D26 p.2]

MEMORY HOOK

"Board may guide, relax, condone, subordinate — never decide a case, never bind the CIT(A), never amend the Act."

SM EXERCISE MCQs

1. CBDT = **Central Board of Direct Taxes**.
2. s.130 = **faceless jurisdiction** of income-tax authorities. [SM 334]

PRACTISE THESE

J23 MCQ (v) · MQP MCQ (vi) · postal Q4(a) · MCQ bank Q27, Q28, Q168 · SM short essays 1–2 (powers of the CBDT; s.127 transfer) · **ICMAI Practice Workbook: no problem on this module**.