

URGENT

F.No.287/30/2014-IT (Inv. II)-Vol-III
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, 16th March 2016

To

The Pr. Chief Commissioner of Income Tax (CCA),
Ahmedabad/Bangalore/Bhopal/Bhubaneswar/Chandigarh/Chennai/Delhi
/Guwahati/Hyderabad/Jaipur/Kochi/Kolkata/Kanpur/Lucknow/Nagpur/Mumbai/
Patna/Pune

Chief Commissioner of Income-tax(Central)
Mumbai -I&II, Delhi

Director General of Income-tax (Inv.)
Ahmedabad/Bangalore/Bhopal/Chandigarh/Chennai/Delhi/Hyderabad/Jaipur/
Kochi/Kolkata/Kanpur/Mumbai/Patna/Pune

Sub: Uploading of Information related to Penny Stock in respect of
assessee-reg.

Ref: EFS Instruction No. 53 of Directorate of Systems dated 08.03.2016

Sir / Madam,

Kind attention is invited to the above referred EFS Instruction issued by the System Directorate regarding handling cases of Penny Stocks (**suspect Long Term Capital Gains/Short Term Capital Loss etc**).

2. It is informed that the said instruction is in the context of investigation conducted by Kolkata Investigation Directorate in respect of large number of penny stock companies, whose share prices were artificially raised on the Stock Exchanges in order to book bogus claims of Long Term Capital Gains or Short Term Capital Loss by various beneficiaries. Extensive investigation, including search and seizure/survey action on entry providers, riggers, beneficiaries etc. was conducted by the Investigation Directorate in such cases. Based upon outcome of such investigation and analysis of the data, the **Systems Directorate has now uploaded details of such information in respect of individual assesseees who have made transactions in such penny stocks.**

3. Vide EFS Instruction under reference a new button '**Penny Stock**' has been added on Individual Transaction Screen (ITS) to display information related to penny stock, now enabled on the screen of the Assessing Officers (AOs). Available information regarding the manipulative transactions has been captured in the functionality, including

the investigation report of the Kolkata Investigation Directorate. The functionality also contains a guidance note for the Assessing Officers. **Such details are visible to the AOs of those assesses whose particulars have emanated out of the investigation report of Kolkata Investigation Directorate and whose cases have been considered actionable, at this stage. The details are also visible to supervisory officers of such AOs.**

4. **In case of any difficulty in viewing the information on ITS, Shri Vipul Agarwal, JDIT (Sys) 2(1) could be contacted on 0120-2770052 or email at vipul.agarwal@nic.in**

5. The undersigned is directed to request that necessary directions may kindly be issued to the officers working under your jurisdiction to access this functionality and ensure that information available in the 'Penny Stock' functionality which may be useful for the purpose of cases presently under scrutiny, is examined and considered **while finalizing assessments and considering reopening of cases u/s 148 of the IT Act, 1961.**

6. This issues with the approval of Member (Inv), CBDT.

Yours faithfully,

sd-

(Kalpana Singh)

Deputy Secretary to the Government of India

(Inv.II), CBDT

Telefax : 011-23092616

Copy to:

- i) Chairman, CBDT
- ii) Zonal Members- Member (L&C), Member (IT), Member (R), Member(P&V), Member(A&J), North Block, New Delhi
- iii) Pr. DGIT (Systems), ARA Centre, E-2, Ground Floor, Jhandewalan Extn, New Delhi 110055
- ✓ iv) Database Cell, CBDT, ARA Centre, E-2, Mezzanine Floor, Jhandewalan Extn, New Delhi 110055 with a request to upload this letter on irsofficersonline.gov.in.

16/3/16

(Kalpana Singh)

Deputy Secretary to the Government of India