

**F.No.225/26/2026-ITA.II**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Direct Taxes**

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Room No. 10018, Kartavya Bhavan-1  
New Delhi, the 2<sup>nd</sup> May, 2026

To,

All The Pr. Chief Commissioners/Director Generals of Income Tax

Madam/Sir,

**Subject: - The C&AG's "Draft Report on Compliance Audit on Application of Provisions under Section 68, 69A, 69B, 69C and 69D read with Section 115BBE"-reg.**

Reference may be made to audit objections brought out by Comptroller and Audit General of India (C & AG) while carrying out Compliance Audit on Application of Provisions under Section 68, 69A, 69B, 69C and 69D read with Section 115BBE of I.T. Act, 1961. It has been pointed out therein that there was variation in invoking the provisions of relevant Sections and additions made by the AOs and also that incorrect application of rate of tax etc. led to loss to the exchequer.

2. In view of the above, the field offices are hereby directed to take into account the following while invoking provisions of section 68, 69A, 69B, 69C and 69D (corresponding section 102, 103, 104, 105 and 106 of I.T. Act, 2025) read with Section 115BBE of I.T. Act, 1961 (corresponding section 195 of I.T. Act, 2025):

(i) The Assessing officer has to satisfy himself as to the true nature and source of the amounts for which such sections are invoked. For the same, necessary investigation or enquiry may be carried out, including, inter-alia, using provisions of section 133(6) of I.T. Act, 1961 (corresponding section 252 of I.T. Act, 2025).

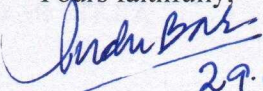
(ii) Based upon inquiry and facts of the case, relevant provisions of the Act may be invoked.

(iii) While making additions under section 68, 69A, 69B, 69C and 69D of I.T. Act, 1961 (corresponding section 102, 103, 104, 105 and 106 of I.T. Act, 2025), provisions of Section 115BBE of I.T. Act, 1961 (corresponding section 195 of I.T. Act, 2025) should be considered which mandates tax at special rates for such additions and does not allow expenditure or set-off of losses under any other provisions of the Act in computing income under these sections of the Act.

(iv) Further, relevant columns of computation sheet (regarding these sections viz. 68, 69C etc.) should be filled up correctly on ITBA so as to avoid the recurrence of errors in computation of income and tax/carry forward of losses.

3. This issues with approval of Member (IT), CBDT.

Yours faithfully,

  
29.05.2016

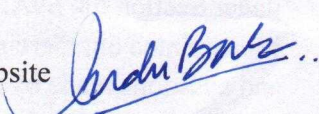
(Dr. Indu Bala)

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(Dr. Indu Bala) Deputy Secretary (ITA-II), CBDT